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WORLD NEWS

Sikhs hijack Indian Airlines jet

Six Sikhs yesterday hijacked an Indian Airlines Boeing 737 on a flight from Chandigarh to Srinagar and forced it to fly to Lahore, Pakistan, threatening to kill the passengers unless the plane was refuelled for a flight to the U.S.

Embassy attacked

Gunmen fired rocket-propelled grenades at the British Embassy in Beirut extensively damaging it but there were no casualties.

Johannesburg blast

A rush-hour bomb blast in Johannesburg severely damaged a building housing government offices and injured three policemen and several passers-by.

Eta rejects offer

The Basque guerrilla group Eta rejected an offer by Spanish Interior Minister Jose Barionuevo to negotiate an end to separatist violence.

Publisher's notice

The Financial Times will not be published on Bank Holiday Monday, August 27.

Housing benefit

From September 1 foreign students will no longer be eligible for housing benefit—other than those from EEC countries or from countries that have signed the European Convention on Social and Medical Assistance.

Ram Lal resigns

Andhra Pradesh Governor Ram Lal, centre of a political row over his sacking of the state's chief minister N. T. Rama Rao, announced he would resign.

Monarch steps down

The world's second longest reigning monarch, Prince Franz Josef II of Liechtenstein, will hand over power tomorrow to his son, Crown Prince Hans Adam.

Mini's birthday

The Mini celebrates its 25th birthday this weekend. Austin Rover is taking over Donington Park race track near Leicester tomorrow for a free "all-welcome" party in its honour.

Yours truly

The Dutch general post office will begin selling cassettes from November 1 to people wanting to send spoken letters to relatives and friends throughout the world. Only Sweden and Denmark have a similar service.

Sri Lanka 434 for 4

The Sri Lanka Test side stormed to 434 for 4 at Lord's with Sixth Wicketmyn standing at 187 not out and L. R. D. Mendis scoring an unbeaten 100.

Financial Times

We apologise for any typographical errors in this edition caused by production difficulties in the reading department.

BUSINESS SUMMARY

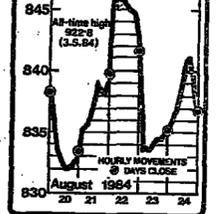
Rolls-Royce predicts cut in losses

ROLLS-ROYCE, state-owned aero-engine maker, is heading for a substantially improved financial performance in 1984 after last year's net loss of £195m, chairman Sir William Duncan said.

Sir William said losses might be reduced by as much as £100m this year, although he gave no further details. He was confident the company would get back to a sustained period of profits. Back Page

GRAND Metropolitan, hotels and leisure group, made an agreed offer of about £95m for U.S. health company Quality Care, which made pre-tax profits of \$4.6m in the year to November 1983.

EQUITIES proved resilient in the face of a call for a national dock strike, with private investors again relatively active. The FT Industrial Ordinary



index, up 5.8 at 2 pm, eased back. Business slowed to a trickle to end 1.6 up on the day at 836.8. The FT-Actuaries All-Share index gained 0.6 per cent to 518.11. Page 20

STERLING eased in quiet trading ahead of the holiday weekend, losing 65 points to \$1.3065. It was also lower against other major currencies, closing at DM 3.75 (DM 3.7525) and FF 11.53 (FF 11.555). The pound's trade weighted index fell from 77.9 to 77.3. Page 19

TATE & LYLE'S £324m bid for Brooke Bond was cleared by the Office of Fair Trading as the battle between the two food groups intensified. Back Page

SOVIET UNION notified customers of a 25 cent per barrel increase to \$27.75 in the contract price of its Urals Blend crude from the beginning of September.

VICTOR POSNER, Miami-based investor, offered \$1.255bn (£936m) for City Investing's Rheem Manufacturing subsidiary, and its printing units World Color Press and Uarco. World Color agreed bid from an investor group led by Kohlberg Kravis Roberts and Merrill Lynch Capital Markets. Page 17

EAT INDUSTRIES, the tobacco, insurance, brewing and leisure concern, won the go-ahead from the West German cartel office to take a majority stake in Herten, West German retail stores group. Page 16

MAYBOX GROUP, formed to acquire the West End theatre interests of Associated Newspapers, is seeking £3.2m from investors to finance its plans. Page 16

TOYOTA MOTOR, of Japan lifted consolidated net profits by 25 per cent to ¥251.6bn (£798m) for the year ended June 1984, on sales up 12 per cent to ¥5,473bn. Page 17

Dock strike starts but ferries exempted

BY BRIAN GROOM AND MARK MEREDITH

DOCKERS at Hull, Liverpool, Garston, Teesport, the Port of London Authority and Scotland's 12 largest ports had walked out by last night, as the second national dock strike within six weeks got under way in Britain.

The two main rail unions and the National Union of Seamen gave immediate backing last night by instructing members not to cross dockers' picket lines.

Union delegates representing 35,000 docks and waterways workers called yesterday for the strike to start immediately—or at least as soon as they could report back to their members. They do not intend to hit passenger ferry traffic.

The strike is over the British Steel Corporation's alleged use of "scab" labour to man the Ostia, a ship now unloading coal for Ravenscraig steelwork at Hunterston terminal on the Clyde.

Dockers at other ports will meet over the next few days. The dominant Transport and General Workers' Union and the smaller General, Municipal and Boilermakers' Union hope at least to bring out members

in the 78 ports covered by the national dock labour scheme, which handle 70 per cent of the country's seaborne trade.

Representatives from Dover and Felixstowe, the two biggest non-scheme ports, opposed the strike call yesterday at the delegate conference, which voted by 78 to 11 for the stoppage.

Dover shop stewards went into emergency session last night, while dockers at Felixstowe are unlikely to meet before Tuesday. If these two ports were to keep working, as seems likely, damage to the economy would be reduced.

London shop stewards were issuing orders last night for pickets to be sent to Dover and Felixstowe. Meanwhile, Mr Arthur Scargill and Mr Peter Heathfield, respectively president and general secretary of the National Union of Mine-workers, attended a meeting of transport unions in London to discuss the dock strike, but no statement was issued.

Mr Jimmy Knapp, general secretary of the National Union of Railwaymen, said the rail unions' instruction not to cross picket lines could affect

Dover, Harwich and Felixstowe. It had not been decided whether the action would be limited to freight traffic.

The TGWU's tactic seems to be to widen the dispute. Mr John Connolly, the union's national docks secretary, said he would appeal to the union's executive council for "physical support" from other sections.

Towards the end of the two-week strike last month, leaders of Lorry drivers, oil-tanker drivers and refinery workers promised support but were not called into industrial action.

No new peace moves have yet emerged. But the National Association of Port Employers—which has stood on the sidelines—said the dockers' action now directly affects its members, so the association would consider what initiatives were open to it.

In Scotland, although dockers in the scheme ports came out yesterday, ferry traffic to the islands was sustained and most of the 23 non-scheme ports worked normally.

Mr Tom King, the Employment Secretary, said the strike would be limited to freight traffic.

One-day stoppage to back miners may be dropped

BY PHILIP BASSETT, LABOUR CORRESPONDENT

PROPOSALS for a one-day general strike in support of the miners are likely to be abandoned, principally because of opposition from the National Union of Mineworkers itself.

The call for a stoppage is due to be put to the annual Trades Union Congress.

Some TUC leaders have been alarmed by the suggestion from the left-led Furniture, Timber and Allied Trades Union that in co-operation with the NUM the TUC's governing

General Council should organise "a day of solidarity action as soon as practicable."

NUM leaders are understood to have expressed fears that such a strike call would help divide Congress in Brighton at a time when the miners needed unity from the TUC. They also doubt whether a stoppage would attract much support.

Four years ago, in spite of strong and sustained opposition from the TUC, the furniture workers successfully proposed a day of action against the Government's economic policies, but the subsequent stoppage was widely seen as a failure.

Accordingly, the NUM has told the TUC that it is not willing to accept the furniture workers' proposal as an amendment to its own policy motion, which will call for other forms of support for the strikes.

It has accepted amendments from the railwaymen, train-drivers and seamen which call for a levy of 10p per week from members of TUC-affiliated unions. This is designed to raise £1m a week towards the strikes.

Yesterday the furniture union received a letter from the TUC telling it of the miners' decision. Its leaders interpreted this as representing direct pressure from the TUC for the amendment to be withdrawn.

The union has not yet decided whether to withdraw its proposal—indeed, its executive committee confirmed it only two days ago.

Mr Ben Rubner, general secretary, said yesterday: "We would not permit ourselves to be bullied or harassed or intimidated by the General Council, or anybody acting on their behalf, into withdrawing this amendment."

However, in an attempt to indicate the union's likely

action, he said: "We shall not do anything which damages the cause of the miners, or their case."

The union's delegation had the power to withdraw the one-day strike call, he said. "If the miners are wishing to talk to us about withdrawing that would be a governing consideration."

Yesterday the National Coal Board cleared up the confusion surrounding new proposals for talks with the NUM from Mr Stan Orme, Labour's energy spokesman, following their disclosure in a television debate this week by Mr Arthur Scargill, the NUM president.

Mr Ian MacGregor, the NCB chairman, was unable to recall the proposals in the debate, and this caused 14 unions from all parts of the unions' political spectrum to call talks to see whether the proposals were worth considering.

The NSB issued the central part of Mr Orme's proposals. At their last talks the two sides were irreconcilably divided over the NCB's use of the word "all-makes" to describe the

acquisition gives Unipart another 120 branch outlets in the UK and said Mr Neill, another 30,000 accounts in the motor trade. "The companies are strong in engine components, have a good-quality image and a well established all-makes supply business."

While he would not comment on further acquisitions, he said that "some companies are very close to disappearing in the near future."

Background, Page 3

Continued on Back Page

Background, Page 4

Lex, Back Page

Continued on Back Page

Orme plan, Page 4

Continued on Back Page

MARKETS

DOLLAR
New York lunchtime:
DM 2.873
FFr 8.5226
SwFr 2.393
Y241.15
London:
DM 2.873 (2.8645)
FFr 8.5215 (8.784)
SwFr 2.393 (2.3845)
Y241.05 (240.65)
Trade-weighted 136.1 (136.1)
Tokyo close Y240.53

U.S. LUNCHEXTIME RATES
Fed funds 11 1/4%
3-month Treasury Bills:
10.45%
Long Bond: 100 1/4
yield: 12.42

GOLD
New York: Comex August latest
\$381
London: \$350.25 (\$352.23)

Chief price changes yesterday, Back Page

STERLING
New York lunchtime \$1.3065
London: \$1.3065 (1.3113)
DM 3.75 (3.7525)
SwFr 3.125 (3.1255)
FFr 11.53 (11.555)
Y315 (316)
Trade-weighted 77.8 (77.9)

LONDON MONEY
3-month interbank:
mid rate 10 1/2% (10 1/4%)
3-month eligible bills:
buying rate 10 1/2% (10 1/4%)

STOCK INDICES
FT Ind Ord 836.8 (+1.6)
FT-A All Share 513.11 (+0.6%)
FT-SE 100 1,067.2 (+8.1)
FT-A long gilt yield index:
High coupon 10.56 (10.54)
New York lunchtime:
DJ Ind Av. 1,233.11 (+0.67)
\$381
Tokyo:
Nikkei Dow 10,554.09 (+8.54)

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For London market and latest share index, 01-246 8026; overseas markets, 01-246 8088

The British inheritance which continues to feed Sri Lankan resentment

IT IS, of course, all the fault of the British. In the early 1800s Britain united the ancient kingdoms of Jaffna, Kandy and Kotte into the nation of Ceylon, now called Sri Lanka...

the sharp ethnic divisions behind the unrest in Sri Lanka. More than 400 people have died already this month in violent clashes, a year after similar scenes claimed 400 lives.

John Elliot reports on the background unrest in the Tamil region

ing the past few weeks against northern troops and banks. Reports of troops attacking Tamil shops and homes and clear evidence in Jaffna that many of the troops are young, inexperienced and frightened does not help to cool the mood of the Sinhalese...

Tamil appear to accept the urgent need for progress in talks which started at the beginning of the year in a round-table conference on the Tamil's claim for more regional status and autonomy.

power. The Sinhalese account for 74 per cent of the population. Mr Jayawardene did not go ahead with ideas for full regional councils drawn up nine months ago...



Complicating the situation is the role being played by Mrs Indira Gandhi, Indian Prime Minister. Anxious to enhance India's position as the major South Asian power...

Andhra Pradesh governor resigns

THE ANDHRA PRADESH governor who sparked a political crisis by dismissing N. T. Rama Rao, the state's chief Minister, said yesterday he would design, pending a new setback to Indira Gandhi, Indian Prime Minister, Resister reports from New Delhi.

Peres seeks extension of mandate

BY DAVID LENNON IN TEL AVIV THE LEADER of Israel's Labour Party, Mr Shimon Peres, will seek a 21-day extension to his mandate to try to form a coalition government.



Outgoing Israeli Prime Minister Mr Yitzhak Shamir and Labour Party leader Mr Shimon Peres discussing proposals for a government of national unity

It will be possible to successfully conclude the negotiations, on a unity government. However, Mr Yigal Hurvitz, a former finance minister, accused the Likud of deliberately dragging out the talks in order to exhaust the time available to Labour to form a Government.

Extreme Right joins Corsican alliance

FRANCE'S extreme right National Front party yesterday sealed an alliance with the right-wing opposition in the newly-elected Corsican regional assembly.

Eta rejects Madrid ceasefire talks offer

A SPOKESMAN for Eta-Militar, the hardline wing of the outlawed Basque separatist movement, was quoted yesterday as saying the organisation was willing to respond to the Madrid government's offer of ceasefire talks only if its political demands were considered.

the government stance unfavourably with that of Mrs Margaret Thatcher towards the Irish Revolutionary Army (IRA).

Saudi and UK embassies in Beirut attacked

BY NORA BOUSTANY IN BEIRUT SHITE militants ransacked and burned the Saudi embassy in Beirut yesterday, after gunmen fired rocket-propelled grenades at the British Consular section in mainly Moslem West Beirut.

On behalf of the Lebanese National Resistance Front, in a telephone call to a foreign news agency, he accused the British consulate of supporting "the Israeli occupation" and trying to "empty South Lebanon of its inhabitants."

burned documents, crashed windows and ransacked through the embassy premises. The youths had participated in a protest march against Saudi Arabia's alleged procrustation in issuing visas for the annual pilgrimage to Mecca.

Arabs to campaign against methanol levy

THE Arab oil-producing states of the Gulf are expected to mount a diplomatic campaign this autumn against the imposition by the European Community of tariffs on their petroleum products.

chemical industry in view of the large volume of other products from other projects particularly the kingdom's ethylene plants, which will enter the market next year.

Eastern. Celanese has stated that it plans to sell 300,000 tonnes of the output each year in Europe, to the alarm of European methanol manufacturers.

EEC changes rules

THE EEC Commission said yesterday it had adopted a regulation designed to ease the movement of temporary imports across borders of the 10 member nations, AP reports from Brussels.

Two landings by frogmen confirmed by Sweden

SWEDEN'S defence staff yesterday said two attempted landings by unknown frogmen on the Swedish coast had been confirmed by military personnel in the last 12 months.

Ships, Captain John Moore suggests that Soviet penetration of Swedish waters continues unabated.

Tugs fight blaze on tanker

RESCUE TUGS yesterday fought a fire on Amethyst, a Cypriot tanker hit by a missile in the northern Gulf. It is the twenty second confirmed victim of air strikes in the waterway since mid-April, Reuter reports from Bahrain.

One Greek business in six 'evading tax'

APPROXIMATELY one Greek business in every six evaded taxes in the first half of 1984, Mr Dimitri Tsvolgas, the Deputy Finance Minister, revealed yesterday.

Plan to ease Canada investment rules

THE OFFICIAL agency which vets foreign investment in Canada will be restructured to give more encouragement to investors if the opposition Progressive Conservative Party comes to power in the September 4 general election, the party's leader, Mr Brian Mulroney, has told a rally in Calgary.

Gelli sets out conditions for his return to Italy

SIG LICIO GELLI, the Grand Master of Italy's outlawed P-2 Freemason's lodge who escaped from a Swiss prison last year and is believed to be in South America, has informed Italian magistrates that he would be willing to return to face charges in Italy if he is guaranteed safe passage and then house arrest in his Tuscan villa.

CGT attacks new redundancy plan for Citroen

THE CGT over industrial policy between France's Socialist Government and the Communist-led Confederation Generale du Travail trade union widened yesterday after the CGT renewed criticism of the redundancy plan for the Citroen car company, agreed by the Labour Ministry on Thursday evening.

Blancos name Ferreira 'stand-in' for Uruguay poll

BY MARTIN ANDERSEN IN BUENOS AIRES SR ALBERTO ZUMARAN, a respected opposition journalist and human rights activist, has been chosen to lead Uruguay's Centre-Left Blanco Party out of the political wilderness as a stand-in presidential candidate representing jailed party leader Sr Wilson Ferreira Aldunate in November's national election.

Blancos name Ferreira 'stand-in' for Uruguay poll

would have their rights restored and that a second election would be held to allow Sr Ferreira and others to participate.

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DOCK STRIKE

Start to second national stoppage well under way

BY BRIAN GROOM, LABOUR STAFF

THE ATTEMPT by the Transport and General Workers' Union to get most of its 35,000 docks and waterways members out on strike was well under way last night. It would be Britain's second national dock strike in a month. Even if the union is largely successful, its problems, and the country's, will only just be starting. The main question would be: how long will the dockers stay out, and what chance do they stand of achieving their objectives? This strike begins with no obvious avenues for resolving it. It was called over the British Steel Corporation's alleged use of "scab labour" to berth the coal carrier Ostia at Hunterston. The original issue, over the dockers' attempt to cut steel production at Ravenscraig by restricting coal supplies, is deadlocked. The TGWU offered a quota of 18,000 tonnes a week for the works, but BSC has stuck to its demand for 22,500 tonnes. Its stance is backed by the Government. The TGWU's strategy is likely to be to widen the dispute rapidly. As the co-ordinating committee of transport unions began a meeting on the dock strike last night, rail unions announced that they were instructing members not to cross dockers' picket lines. Mr Jimmy Knapp, general secretary of the National Union of Railwaymen, said the action could affect rail traffic through the ports of Dover, Harwich and Felixstowe—the very ports where dockers are least likely to respond to the strike call. Mr Knapp said it had not been decided whether the action would be limited to freight traffic. There was no indication either, as to whether dockers

would picket Sealink ports, most of which are manned by NUR members and would not normally expect to be involved in a TGWU dock strike. A key question is whether the TGWU can persuade lorry driver members to back the dockers having failed to back the miners. Mr John Connolly, the TGWU's national docks secretary, said yesterday that an appeal would be made to the union's executive council for "physical support" from other sections. Towards the end of last month's two-week dock strike, national leaders of TGWU lorry drivers, oil tanker drivers and refinery workers promised support, but were not called on to take any action. The TGWU's apparent hope is that a national crisis will put pressure on the Government, which would then push BSC to wards compromise. But this is only possible if the dispute has a rapid and crippling effect on the economy. Until yesterday the National Association of Port Employees was complaining that it was powerless to intervene in a dispute which purely involved the TGWU and BSC. However, last night the association said that in calling a national dock strike the TGWU was "taking action which directly affects our members." The association was therefore considering what initiatives were open to it. In the meantime it was making clear to the TGWU the port employers' view that the strike would cause enormous damage to the port industry and the economy. The national executive of the employers' association will meet next week. Its options were not disclosed—indeed, they are

few. But as one of the few independent parties in this dispute, and one which is desperate to get a settlement, it is the main channel for peace. It is difficult to see what the Advisory, Conciliation and Arbitration Service could do, since BSC is not prepared to handle over coal quotas. Acs officials may attempt to get an initiative going, but it is believed that this will not happen for a few days. The TGWU will find it hard to put pressure on BSC, by whatever means. Mr Connolly suggested that Redcar steelworks in the North-east was short of coal, and that a strike by TGWU dockers at BSC's deepwater terminal on Teesside would threaten the plant unless steelworkers did dockers' jobs, which would have serious consequences. It is hard to imagine, however, that BSC would have embarked on its action without having thought through such implications. Mr Connolly said BSC had claimed last Wednesday that, before docking the Ostia, it could continue for only five days at normal production before low stocks forced it to damp down coke ovens and halve production. He added that with the extra 18,000 tonnes a week offered production could have been maintained for another five weeks. It was "strange" that BSC had refused this because "five weeks enables all sorts of decisions and changes to come about." BSC angrily challenged this interpretation, saying that 18,000 tonnes was just not enough. When coal supplies were limited to this amount for a short period under an earlier agreement, two blastfurnaces were damaged.

British Rail agrees to talks on job cuts

By Our Labour Correspondent

BRITISH RAIL last night agreed to meet its two manual unions to discuss proposed job cuts which have led to plans for a work to rule next month. Leaders of the National Union of Railwaymen and the train drivers' union Aslef yesterday called for a new meeting after studying BR proposals set to them earlier this week. The proposals, seen as offering significant concessions to the unions, suggest cuts of 15,000 through natural wastage, but also suggest that a further 25,000 staff will have to be taken on at the same time in different areas. The meeting with BR is likely to follow a meeting on other cuts with London Regional Transport, which has now been fixed for next Tuesday. Both Mr Jimmy Knapp, NUR general secretary, and Mr Ray Buckton, general secretary of Aslef, said yesterday the unions' proposed industrial action over the cuts was still on. The two unions have called a national work-to-rule from September 10, and a one-day strike in London two days later. However, it is widely felt that the unions will defer the national action after the meeting with BR, though the London strike may still go ahead.

Gas staff pay deal settled

By David Hellier

DELEGATES representing most white-collar staff in the gas industry yesterday accepted a 3.5 to 4.8 per cent pay offer. The 150 delegates, who represent 44,000 members of the National and Local Government Officers' Association narrowly voted to accept the deal, which will be back-dated to the beginning of June. The 3.5 per cent offer will apply to staff under the age of 18, and the remainder will receive a 4.8 per cent increase. The union originally sought a flat rate increase of £12 a week, roughly equivalent to a 7 per cent increase on the pay bill. Nalgo says the salary of a junior clerk will rise from £3,521 to £3,644, while at the higher end of the range, salaries will rise from £13,203 to £13,837.

Orme's pit formula hinges on semantics

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE ORME formula—the new initiative at the centre of a fresh row between the miners and the National Coal Board—takes a simple approach to the key word "beneficially", which kept apart the two sides at their last talks. It removes the word. So it is not surprising that, after hours of wrangling with the National Union of Mine-workers over this one word, the NCB rejected the Orme formula. Nor is it a surprise, that, having seen it excised, the NUM is willing to accept it—reluctantly. Mr Stanley Orme, the Labour Party's Shadow energy spokesman, is recognised by both sides in the dispute as having done valuable work in trying to bring them together. However, the fact that his formula disclosed this week in the televised debate between Mr Ian MacGregor, the board chairman, and Mr Arthur Scargill, the union president—clearly takes the miners' side will do little to enhance his credibility with the NCB. Mr Orme's formula, released yesterday by the board after the call for talks by 14 unions representing a wide range of

positions in the Labour movement, is a variant on the crucial sections of the NCB and NUM draft agreements of mid-July. In its draft, trying for a viable definition of the circumstances in which a pit can be closed, the board said that, where a comprehensive investigation by mining engineers from both sides "show that a colliery has no further mineable reserves that are workable and which can be beneficially developed, such a colliery shall be deemed exhausted." The NUM's version excluded the word "beneficially", seeing it as simply a substitute for "economically"—which expresses the central issue of the strike. At the beginning of August, the NCB received from Mr Orme a new wording of this central section—the Orme formula. He suggested that collieries, other than those referred to earlier in sections of the agreement accepted by both sides, "would be the subject of investigation and discussion in line with the Plan for Coal—the 1974 agreement for the industry." Such an investigation—under Mr Orme's formula, as in those



Mr Stan Orme after seeing Mr MacGregor yesterday

unacceptable to the NCB. However, as Mr Scargill said in a televised debate with Mr MacGregor this week, it was—not surprisingly—acceptable to the NUM. The union leader scored a propaganda coup in the debate, by declaring first that the union had accepted a formula for ending the dispute, and then showing Mr MacGregor unable to remember it. Details of the formula redeem the NCB's position, to some extent, but the damage to the chairman is likely to remain. Union leaders—such as Mr Alan Sapper of the film technicians, who saw the formula as a great step forward—have been outlandish by its revelation. But those of the group of 14—such as Mr Tony Christopher of the tax staff union—have been vindicated. They simply called for it to be discussed or disclosed, to see whether it could be valuable. Publication of the formula having shown there is little message in it, both sides will be able now to move away from this apparent deflection and back to the serious business of the dispute.

North-east sees its worst strike violence

BY DAVID GOODHART, LABOUR STAFF

THE WORST PIT strike violence to date in the North-east yesterday erupted in the small mining town of Easington, on the Durham coast. A major police operation, including the first use of riot gear in the area, ensured that 28-year-old Mr Paul Wilkinson was smuggled into work at Easington Pit, triggering off a minor riot when the news leaked out. Mr Jack Dormand, Labour MP for Easington and chairman of the Parliamentary Labour Party, said he would be writing to Mr Leon Brittan, the Home Secretary, complaining about the police tactics, having witnessed them at first hand yesterday. "It's quite clear to me that the police have instructions from the Home Secretary to get every man into work they can regardless of the consequences," he said. Mr Wilkinson had been trying to get into work since the area was closed by a colliery bus service on Monday. Because of the narrow road outside the main entrance to the pit, and effective

picket organisation, police had not been able to get him in. Yesterday at 8 am, however, he was taken in round the back of the pit, which the local National Union of Mineworkers claims is a violation of local agreements. There were about 300 pickets at the front, and when they heard the news a group climbed over the wall into the pit yard, smashed windows and later overturned two cars, damaging four others belonging to National Coal Board managers. Mr Wilkinson spent about four hours sitting in the pit's lamp room surrounded by 20 policemen before being driven away in a secure van shadowed by eight transit vans. In the meantime some about 1,000 police on duty engaged in running battles with pickets, resulting in injuries on both sides and four arrests. Mr Alan Cummins, the Easington NUM branch secretary, said: "We regret the violence caused by a small group of pickets, but we've been intensely provoked. I've seen a number of our

people ruthlessly truncheoned to the ground." There was an air of Ulster-like desolation about the pit end of the town yesterday. Elderly men and women with pinched, lined, faces stared out anxiously from the run-down terraces on to groups of pickets waiting for something to happen. Two middle-aged women, both pushing babies in prams, walked by talking about shooting "the bloody pigs." The walls are covered in graffiti, mostly casting doubt on Mr Wilkinson's parentage. Easington is probably the most militant pit in the North-east. NUM officials believe it is a deliberate NCB tactic to concentrate back-to-work efforts there. They allege that Mr Wilkinson, who lives 20 miles away in Durham, is confused about what he is doing, and even claim that two weeks ago he offered himself for picket duty. It appears that Mr Wilkinson has no contact with any of the Midlands-based working miners' support groups. Mr Cummins, the branch

secretary, part of a new generation of more left-wing leaders in the area, said: "I'm worried about the future. It looks as if things could get even worse. "There are good law-abiding citizens here who are never going to help the police again." Mr Tom Callan, the Durham area NUM secretary, said Mr Wilkinson's union card would be taken away. But the defiant working miner said he would return on Tuesday. There was violence at the Wearmouth IPT in Sunderland, where 11 white-collar workers went to work, two less than the day before. Mr Ken Speed, a spokesman for the group, said a number of them had been attacked at home. Mr David Archibald, the NCB North-East area director, said the violent picketing again underlined that 21,000 miners were being prevented from going to work by 1,000 militants. The Northumberland and Durham areas have, however, so far been the firmest of all for the NUM, and the tricks back looks highly unlikely to take off in the region.

Civil servants discuss action on pay

BY DAVID HELLIER

CIVIL SERVICE union leaders met last night to discuss possible forms of action after the Government's refusal to allow them to take their 7 per cent pay claim to arbitration. One option being considered by some leaders of Britain's 520,000 white-collar civil servants is whether to test the

Government's decision in the courts. There has also been talk of industrial action. The unions have written to Mr Tom King, Employment Secretary, asking him to intervene and forward the case to arbitration. However, Mr King is expected to reaffirm the rejection and suggest again that

the unions accept a 4.5 per cent offer. Sir Robert Armstrong, head of the home Civil Service, has been asked to convene a meeting of the National Whitley Council, the Civil Service negotiating forum, to consider the implications of the dispute.

Advertisement for Pension Fund Management by Lazard Brothers & Co., Limited. Features a hand holding a globe and text: 'Pension Fund Management. With over £2 billion under management we have more than just enthusiasm to offer. If it's results that count - talk to Lazard Brothers. Lazard Brothers & Co., Limited. 21 Moorfields, London EC2P 2HT. Telephone: 01 588 2721 Telex: General 886438.'

Divisions over motion on GCHQ

By Philip Bassett

LEADERS of the Civil and Public Services Association are refusing to join other unions in putting forward to the TUC Congress a proposal condemning the Government's banning of trade unions at GCHQ Cheltenham. The CPSA's insistence raises the possibility of a divided vote in Brighton in 10 days' time on an issue over which the Congress—likely to be bitterly split on other matters, such as the miners' strike—might have unified. Union leaders met to try to draw into a single motion the seven resolutions and amendments on the issue submitted. All the other unions, including three Civil Service unions, the communication workers and the foundry workers, agreed the wording of a single proposal—but the CPSA refused to join. Pressure was put on the CPSA to drop its criticism of its own key motion at last year's TUC—since then the internal political complexion of the union has switched from Right to Left—and its implied attack on controversial "no-strike" deals, which was seen as likely to be unnecessarily divisive. The CPSA refused, though, insisting it wanted to retain these points. Further efforts will be made before the TUC gets underway, but if the CPSA continues to resist them, Congress might well embarrassingly reject its motion, even though it criticises the Government. Left-wingers have also split over motions on the Government's programme of labour legislation. It emerged yesterday that a number of unions, led by the Musicians' Union, have not joined the overall composite motion against the labour laws and the TUC's stance in last year's NGA-Stockport Messenger dispute, which will be moved by the NGA and seconded by Tass, the white-collar section of the engineering workers' union. The musicians, the banking union, the GLC Staff Association and the Post Office engineers have a separate proposal, indicating a reluctance to go along with harder-line motions of the other unions. Significantly, Mrohn Morton, general secretary of the MU, did not vote with the left in the TUC's key decision last year over the NGA—which led to a coolness between him and his usual colleagues on the TUC left.

Large advertisement for recruitment: 'Would you really want to recruit a Sales Director who doesn't read the FT?' Includes text about recruitment and a 'No FT...no comment' slogan.

Handwritten signature or mark at the bottom of the page.

Tour operators fear squeeze on profits next year

BY ARTHUR SANDLES

BRITAIN'S package tour industry is increasingly alarmed about its prospects for next summer.

Thomson, Horizon and Intasun have already warned of price rises of up to 20 per cent, and it now appears that even at those levels margins on Spanish holidays could be further squeezed.

Two operators, Horizon and Saga, reported this week their first half losses for their current financial year, and on Thursday a much smaller operator, Vantage Holidays, ceased trading. Its activities have been taken on by Excel Holidays under an Association of British Travel Agents scheme.

Autumn is a traditional time for tour operator failures. The major bills of the year become due for payment just as the supply of customers' money dries up. Some small companies may have been saved by the current mini-boom in demand for last minute holidays since the big companies have virtually sold out.

For next year the operators' projected figures are alarming in two particular fields. Spanish hoteliers are seeking substantial increases, and airlines are charging more for flights.

Last year negotiations over return air seats to Palma for tour operators started at around £75. This year operators are being asked £90, to which has to be added a margin for unused seats and other peripheral costs.

A hotel room which might have cost £10 a night this year will be as much as one-third dearer next year.

Operators are thus having to choose between a substantial rise in prices or cutting margins. It looks as if most will plump for a mixture of both and hope for more intensive use of jets to maintain profits. All will be trying to keep down costs over which they have direct control.

The sums for 1984 went wrong when demand, although higher than in 1983, was much lower than expected. Load factors, the proportion of seats sold compared to seats available, suffered and a price per further bit into profits.

THE PRICE OF A PACKAGE

A typical August holiday in Majorca

	1984	1985
Agent's commission	30	35
Flight	80	90
Hotel	140	160
Resort staff/coaches	5	5
Overheads/marketing	15	15
Costs	270	325
Profit	30	25
Tour price	300	350

These are broad average budget figures and depend on 92 to 94 per cent of holidays offered being sold. Sales shortfalls or discounting, as seen this year, disrupt such predictions.

The scene has been made more complex this autumn by British Airways, the charter airline subsidiary of British Airways, which has offered seat prices to tour operators which, it is claimed, are considerably lower than commercially justified. These have undercut other charter companies, many of them linked with tour operators.

Airtours has negotiated a deal with Intasun for flying next year at prices which the tour company's own airline, Air Europe, could not match.

Mr Roger Davies, managing director of the Thomson Travel group, which includes Britannia Airways, has described the Airtours' sales policy as "predatory". It is also a word used by Mr Julian Waterman, head of Cosmos Tours. Cosmos has a sister company, Monarch Airlines.

Mr Waterman argues that Airtours is getting its Tristar aircraft cheaply from British Airways and is deliberately carving out a slice of the charter market in the run-up to privatisation. "The trade is very worried about it. It is a destabilising influence."

He reckons, however, that careful planning by major operators should see profits higher in 1985 than in 1984.

Optimism is also voiced by self-catering operators who are not so affected by higher demands from hoteliers.

BL Mini set to continue in production until 1986

AUSTIN ROVER is to take over Donington Park racing circuit, near Leicester, tomorrow for a free, "all-welcome" party in honour of the 25th anniversary of the Mini.

There have probably been more premature reports of impending death of this car than any in the UK industry's history.

Austin Rover has made clear it will be built for as long as there are enough customers to make production profitable.

Since the major investments to produce it have long since been amortised, current demand indicates that it will still be built in 1986 and may even reach its 20th birthday.

It is BL's, and one of the world industry's, greatest success stories.

While demand inevitably has fallen from the peak of 1971, when the then British Motor Corporation built 318,000, it is still inching towards and bearing something totally unforeseen will almost certainly pass, the 5m output mark.

This week the total hits 4.96m and the car still finds about 25,000 buyers a year.

Austin Rover said yesterday the 5,000 "Mini 25" special editions of the car will in silver—produced to mark the occasion—were close to sell-out. They are expected to become collectors' items.

The Mini has become a legend since it was launched, the creation of Sir Alec Issigonis, on August 26, 1959, at a price of £495.

Its "wheel-at-each-corner," transverse engine and front-wheel drive was a new concept then, but has since become virtually the world industry standard for volume-produced cars.

Its amazingly agile handling, by the standards of the time—it is still good now—led to a world-dominating rally car in the form of the Mini Cooper "S," and celebrities like the late Peter Sellers spent thousands on having them converted to pint-sized limousines.

The basic Mini, the City, now costs £3,198. But for those who look longingly at the £495 tag—when adjusted for inflation the 1984 price is £50 cheaper than the 1959 one.

IT WAS his shadow that I saw first. A deep darkness that crept across the keyboard of my 1927 Remington. I knew, even before I looked up, who it was.

"Hi Boss."

My attempted snarl came out more as whimper. He was a big guy, broad shoulders like he'd played tennis or something. And steely eyed.

It must be August already. He never ventured into our neck of the newsroom until the front page was beginning to look like a Cornish garden after four months of drought. Still, it was nice to be needed, even in August.

"I'm looking for the best," he said, staring deep into my forehead, as if realising the search was going to be a long one.

"Gee, thanks boss."

"Not you," he sneered. "The best pictures, the best books, the best hotels, the best airlines..." He tailed off, looking for further inspiration.

"How about the 10 worst silly season stories ever," I chirruped.

He thought, I looked nervously at the shoulders, fearing the old smash down the train-tines might be brought back into action once more.

"Great," he hissed. "You should be able to handle that one—your past five pieces should give you a head start."

The man could hurt when he wanted to. He turned on his athletic heel and strode off.

Chewing my fourth pen of the day I dedicated myself to my memo: "Suggested subjects for top 10 series..."

Imagine the expenses I could run up researching the 10 financial books we would all like to see: the Vatican, the Vestry

The list to end all lists... until next year perhaps

Arthur Sandles, under severe pressure, runs through the ideas for articles which never made it



NOT THE TOP TEN
Rejected ideas

- Intriguing finances
- Most boring cars
- Journalistic euphemisms
- Over-rated food
- Things you never knew you needed
- Disappointing tourist attractions
- Places to be seen
- Places not to be seen
- Magazines for your coffee table
- Names of 1984 to forget

family, C and A, Sir James Goldsmith, Grosvenor Estates, Dr Anton Rupert, Mr John Zaccaro (Ferraro), Michella, the Benn family and the Thatcher family...

Or what about the 10 most boring cars in the world? That is tricky because the competition is so fierce. I'll suggest three groups of three, from small—the Talbot Horizon, VW Golf and Vauxhall Astra—to medium—the Talbot Solara, Audi Quattro and Renault 9—and then large—the Pontiac 6000, the Volvo 760 and Rolls Royce Silver Spirit. For the ultimate in boredom the choice must, however, go like an Olympic gold to the U.S. The Chevrolet Malibu is a machine so monumentally conformist that it does exactly 100 mph flat out and exactly 20 mpg (U.S.) when cruising.

Let's try the 10 best business journalism euphemisms in doing pen-portraits: urbane (boring), obdurate (distilled), able (mediocre), witty (superficial), trendy (vulgar), youth-

ful (immature), incisive (philistine), entrepreneurial (a bad risk), pragmatic (compromiser) and taciturn (thick). But then, the lawyers may be worried about that one.

Well, how about the 10 most over-rated foods? Iceberg lettuce, truffles, avocado pears and all their derivatives, brown rice, tolu, black pudding (known in the south of England as boudin noir), Texan beef grits, Yorkshire pudding and moutarde de meaux.

Or the 10 things you have now and never knew you wanted: the Sony Walkman, Bailey's Irish Cream, skateboards, videogames, jogging windsurfers (sailboards), light sensitive sunglasses, break-dancing and Kiwi fruit.

And while we are on that tack there are the 10 most disappointing tourist attractions in the world: the Sphinx, Carnaby Street, Nashville, Acapulco, East Chinatown San Francisco, Manhattan, the Moulin Rouge, Greek food and the Lorelei (the view of, not the view from).

Or even: the 10 places to be seen and noted: the Prix de L'Arc de Triomphe (and stay on for the collections); the Kentucky breeding stock sales; the Sydney to Hobart Yacht Race; the Bal de la Rose in Monte Carlo; the English summer at (pern any three from five) Wimbledon, Henley, Ascot, Cowes and Glyndebourne; skiing at St Moritz (if you are American); Vail (if you are European); the Monte Carlo Grand Prix; or any Pavarotti/Domingo first night (not both).

And then, the 10 places not to be seen (some would say any of the above): Macy's Parade Crufts, Mardi Grass/Carnival in Rio/New Orleans or Trinidad, the Berkeley Square Ball, Annabells, the Edinburgh Festival, the Monte Carlo Rally, south of the Thames or north of East 86th, New Zealand, or in politics. The Booker Prize Dinner is too domestic and too obvious to be included.

There are the 10 magazines to have on your coffee table:

Interiors, Architectural Digest, the Lady, New Scientists (unless you are a scientist, in which case Nature), French Vogue, Forbes, New Yorker (if you are English) or Tatler (if you are American), an old copy of Private Eye open at a reference to you, Country Life, in Britain. Hide and "What..." magazine and anything to do with computers.

What about 10 names of 1984 that will be forgotten in 1985? Jola Budd, Geraldine Ferraro, Boy George, Silver Birch, Peter Palumbo, the Mata Hari of Cyprus (I've forgotten her name already), Sarah Tidball, Christina de Loreau, any Gabbage Patch Doll and Gen. Gunther Keissler.

I shuffled into the oval office. He read the lists.

"Great," he crunted.

"You like them all?" I squeaked.

"No." He looked to the ceiling again. "Just the last one. But you've missed a name out. The person I would like most to forget."

I got the message.

"Get out of here. The whole thing's gone on too long. It's nearly September already. Damn, this is a newspaper."

A well. There's always next August.

This is the last article in the series. A reprint booklet of the series will be available shortly, price £1.95. Cheques or postal orders, made payable to The Financial Times, should accompany all orders, which should be addressed to: Nicole Barrham, Publicity Department, Financial Times, Brackley House, 10 Cannon Street, London EC4P 4BY.

Abbey Life sees rise in portable pension demand

BY ERIC SHORT

THE GOVERNMENT'S personal pension proposals could lead to a break-up of State and employer pension schemes and to a corresponding expansion in individual pension provision, according to Mr Brian Riddale, marketing director of Abbey Life Assurance, a linked-life company.

Under the proposals unveiled last month by Mr Norman Fowler, Social Services Secretary, employees would have the right to opt out of their employer's pension scheme and/or the State earnings-related scheme and make their own arrangements.

Employees with their own pension contracts would be able

to transfer them when they change jobs, thus avoiding any loss of pension rights resulting from the move.

Mr Fowler emphasised that the new system was designed to run alongside and not threaten existing employers' schemes.

However, Mr Riddale considers employees will be keen to take advantage of the freedom of choice to move pensions from job to job.

So Abbey Life has anticipated this portability demand with new arrangements in its pension plans. Clients in any of its pension plans will be able to switch into another without loss of benefits. The initial charges on the new contract will be covered by Abbey Life paying a portability bonus.

West Yorks jobs board shows profit

By Nick Garnett, Northern Correspondent

THE WEST Yorkshire Enterprise Board, set up by the county council as a job supporting agency run on commercial lines, declared a profit of £356,000 yesterday after its first full year of operation.

The enterprise board, supported by loans and City borrowing, has invested £3m in 21 local, mainly manufacturing, companies which employ 1,400 people. It has received about 600 inquiries for assistance.

Although no company it has supported has yet gone under, the board has set aside £115,000 to cover business failures which it expects will arise eventually through its provision of risk capital.

The companies it has helped finance include a classic car manufacturer, a printer, a foundry and two machine tool manufacturers.

Thorn EMI takes top spot in cable TV

BY RAYMOND SNODDY

THORN EMI will become the largest provider of programmes for cable television in the UK next Saturday when it switches on two new channels.

Thorn will launch its film channel, Premiere, and The Children's Channel to cable subscribers in Greenwich, London, Swindon and the Midway towns. This will be extended to Milton Keynes and Washington on October 15.

The first day of Premiere, a feature films only channel, includes films such as Absence of Malice with Paul Newman, Privates on Parade with John Cleese and the Sylvia Kristel version of Lady Chatterley's Lover.

Mr Nick Bingham, Thorn EMI director of cable programmes said yesterday: "I feel it is very much up to us to come up with very good programmes to get a good early response even if it costs us. We are developing a new business after all."

To some extent Thorn will have to create a market for cable, rather as it did with video cassettes when it advertised nationally even though few consumers then had video recorders.

Premiere, which will have between 16 and 18 recent films a month—with eight to 10 repeats over a year—is likely to cost the consumer between £7 and £8 a month.

It will face competition almost immediately in Greenwich from the film channel launched earlier this year by TEN, The Entertainment Network.



Mr Nick Bingham: "We will win"

"I don't think there is room for two movie channels. I think ours will win although it may take a little time," Mr Bingham said. Thorn has a 41.2 per cent stake in Premiere. The rest is divided equally between Goldcrest Films, Columbia Pictures, Home Box Office, Showtime/The Movie Channel, Twentieth Century Fox and Warner Brothers.

Thorn will benefit from some economies of scale. Both Premiere and The Children's Channel will share a single transponder (which sends the picture back to earth) on an Intelsat satellite. The children's programmes will run from 7 am to 3 pm. Then the film channel will take over and run until 3 am seven days a week.

Ford chief accuses Ministers

By John Griffiths

MR SAM TOY, Ford of Britain's chairman, has accused Ministers of being "unbelievably obstinate" in "refusing to listen" to the motor industry's case against European Economic Community plans to "harmonise" new car prices.

In a letter to Mr Bryan Gould, Labour's motor trade spokesman, parts of which were disclosed by Mr Gould yesterday, Mr Toy said Ministers refused to "hear and understand the facts, or to act in a responsible way towards the needs of the industry."

Under EEC Commission proposals which could become effective next year a maximum 12 per cent variation in prices would be allowed.

Any manufacturer exceeding this differential for more than six months could lose the block exemption granted to its franchise dealer network, opening up sales to any party interested.

The manufacturers' arguments against the "12 per cent rule" are mainly that it is not possible to "harmonise" prices when member states' taxes on them vary between 15 and 214 per cent and that price variations are an inevitable result of currency fluctuations, differential inflation rates and individual member states' economic policies, such as the extended price freeze in Belgium.

Far from UK prices, as alleged, being too high, the industry argues financial losses by most European manufacturers indicate that Continental prices are too low.

Underwriters accept £38m Minet offer

BY JOHN MOORE, CITY CORRESPONDENT

UNDERWRITING members of the Lloyd's insurance market who have been holding out for a better offer from Minet Holdings have decided reluctantly to accept a controversial deal. Minet's offer was to compensate them for more than £38m which the group has alleged had been misappropriated by former executives.

All but four of 1,524 underwriting members were rushing to accept Minet's £38.17m offer to compensate them for the missing funds. The offer closed yesterday.

When it was declared unconditional at the end of July, 163 underwriting members were holding out for a better deal.

Minet has made its compensation offer with Alexander & Alexander Services, the insurance broker which owns Alexander Howden. Minet has alleged that some of its former executives used Howden companies secretly to channel more than £38m of underwriting members' funds offshore to companies controlled by former Minet executives.

Minet had insisted that before it made its offer unconditional it would require 100 per cent acceptance from all underwriting members.

However, underwriting members were unhappy that they had not received a full account of the funds which had gone missing. They were also concerned that they were required to waive all their legal rights to any further recovery to the company jointly controlled by

Minet and Alexander & Alexander Services.

Arrears of interest of up to £40m on the missing funds is also unaccounted for, underwriting members claim. In addition underwriting members face more than £16m in arrears of tax liabilities on funds allegedly misappropriated by the executives who looked after their affairs.

Initially 190 underwriting members refused to accept the offer and Minet extended the deadline for five days. More underwriting members then decided to accept, reducing the number of those holding out to 163. Although an action group was formed to consider future litigation, led by Mr Geoffrey Lawson, it was felt that the cost would be too high with such a limited number of members.

However, litigation is being considered by two other underwriting members. Yesterday they were holding out until the last possible minute. Acceptance of the offer closed finally at 5 pm.

Meanwhile Minet has agreed that an independent person should represent the underwriting members' interests in the recovery of the missing money; no legal rights in respect of underwriters own reinsurance arrangements would be waived; and that any currency gains on funds located in Gibraltar will be paid. That could be as much as £2.5m.

In addition, Minet is making available £250,000 to underwriting members to help resolve the taxation problems.

Unipart prepares to take on the international competition

BL's biggest profit maker has grand ambitions but a long way to go, says John Griffiths

"You have to eat the elephant one bite at a time." The quote came from Mr John Neill, the 44-year-old group managing director of Unipart, and it was his way of describing the BL subsidiary's ambitions to expand into a world force in making, distributing and selling vehicle parts and accessories.

Last night Unipart had its mouth full — with £15m worth of Edmunds Walker Holdings, another parts maker and distributor, most of which has been acquired from engineering group, AE.

Unipart is not the smallest in world terms; but so vast is the international "aftermarket" that Mr Neill's metaphorical elephant would have felt scarcely a nibble.

But it is nonetheless a highly significant move for the second most profitable pewel in BL's thorny crown, and one which, before the end of next year, will have followed Jaguar into privatisation.

For while Mr Neill will not

admit to any definite plans, it may not be long before the offer for sale is made.

What Mr Neill will confess is a conviction that the rationalisation already under way in this overcrowded and mostly unprofitable sector of the UK motor industry will accelerate before Unipart leaves the BL fold.

Although some parts companies have managed to limit past losses, he suggests their situation is so grave they could collapse of their own accord, saving Unipart the need to consider acquisition.

Either way, Mr Neill certainly sees Unipart as the potential flagship of a slimmed-down and revitalised UK components industry capable of taking on, and besting, overseas rivals in manufacture and distribution.

There is some justification

for Unipart's faith in its grand designs: in recent years, and throughout the recession, it has been BL's most consistent profit earner.

Last year it made an operating profit of £17m sales of £346m, up £3m on 1982. The profits were formally disclosed for the first time when BL began separating its diverse operations into self-contained units in preparation for privatisation.

But Mr Neill insists that a tough attitude to its own suppliers, plus an unsentimental approach to job cuts and other productivity improvements kept Unipart well in the black before this.

Unipart must, though, be sized up against the big world of parts manufacturers.

The Monopolies and Mergers Commission, published a report in 1981 on the UK parts and accessories market, excluding components supplied to car makers as original equipment. It concluded, the market was worth about £2bn. Mr John Hardiman, head of Ford of Europe's parts operations, estimates that the trade in Europe this year will be worth £13bn (£9.9bn) — and his figures are just for replacement parts, not accessories.

Frost & Sullivan, the consultants who specialise in studies of the North American aftermarket, put the size of the U.S. market alone at £23.5bn.

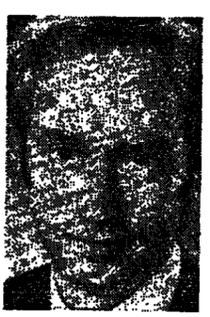
That is to ignore Japan, almost a closed market, developing countries, where the exact size of the market is unknown. Even in the developed world, the figures are imprecise.

The few certainties are these: THAT, as the figures show, the market is an enormous one and Unipart would be a runaway success were it to chew off so much as a tiny corner; THAT the market is shrinking, and will do so inexorably for as far ahead as anyone can see, because parts are more reliable and last longer, cars are becoming smaller and lighter, hence the value of their parts lower; and more accessories are fitted as standard by the manufacturers themselves;

THAT as the world vehicle-making industry transforms itself, producing similar cars the world over, using common components sourced around the world, the big winners in the aftermarket contest will be those whose presence is equally international. By all these criteria, Unipart has a long way to go, and there are plenty of uncertainties, too.

If Unipart is to grow, that growth will be at the expense of someone else. Already the fight for markets has savagely compressed margins, as the results from some of the components companies in the accompanying table shows.

Yet the parts and accessories market is a difficult one in which to make comparisons. Some component makers, such as Lucas Industries and GKN, have a very large presence in the international original equipment components business, sufficient to dwarf Unipart's total turnover. Others, like AE itself, have extended their activities into replacement parts and distribution.



Mr John Neill

Unipart is unique in wanting a slice of all the traditional action: manufacture of original equipment as well as BL and 'all makes' replacement parts and accessories; their distribution, and their wholesaling through BL dealers, its franchised Unipart High Street and other outlets.

In addition, Mr Neill has come up with a market services strategy all of his own: a contract services division, under which Unipart hopes to capitalise on its extensive investments in modern warehousing and computerised ordering and distribution systems by letting contracts to "outside" companies, with car makers and importers themselves a prime target.

The rationale is that the vehicle-producing companies are fully occupied in designing and developing products at the accelerating rate needed to combat, in particular, competition from Japan. Why not offload the back-up parts distributions

problems on to Unipart? Mr Neill admits the idea will not appeal to the giants like Ford and General Motors, but there are smaller operations, he suggests, with which negotiations are already going on.

Jaguar for one, now divorced from BL, has signed an "arm's-length" contract along these lines—and the need for this type of contract is just one reason, says Mr Neill, why an individual motor company could not be a candidate for taking Unipart over on privatisation.

Unipart's principal strength has been in aftermarket sales and distribution, handled by its Unipart International division, for which Neill claims clear UK market leadership.

It is also investing heavily in its SU Butec manufacturing division. Up to two years ago, this comprised nine companies. Those making parts exclusively tied to BL's car production operations were hived off to Austin Rover.

The remainder still compete for business—but Mr Neill is interested even more in original supplies to the big manufacturers abroad. Soon, he indicates, Unipart will be able to announce its first significant continental o/e orders for SU Butec.

In spite of UK vehicle makers' warnings that they may opt for cheaper parts from overseas, Mr Neill insists that the UK can be an excellent base for making components, with low labour costs and a long tradition of innovation.

For all that, Unipart remains heavily UK-based. It exports to 180 countries, accounting for about 25 per cent of turnover, but much of that business is tied to BL vehicle exports.

Unipart tried about three

years ago to export its "Unipart" franchise to Belgium and Holland, only to be told by about 700 wholesalers that the Continental system did not work that way.

It is now talking to companies like Shell about feeding its parts in a lower-profile way through their retail outlets; but it is not the progress Unipart had envisaged, nor, unlike GKN, has it yet tackled the U.S.

Several years ago, when GKN had established substantial component-making capacity there, it formed GKN Auto-parts International to steamroller its way into the North American market. It is now the largest independent truck parts distributor in the U.S. and the leading independent distributor of imported car parts.

Mr Neill knows that eventually Unipart must also tackle

the U.S. If it is to be a "world player" in the parts game.

But the current strategy, particularly after the initial Continental rebuff, is to consolidate and broaden Unipart's UK base for eventual use as a launch platform.

As with yesterday's Edmunds Walker acquisition, Unipart is likely to be sifting through other components companies in quest of deals in areas where it feels it might need strengthening.

An obvious candidate would be Quinton Hazell, which its Burmah parent has had up for sale for some time, but there are many others. Neither Unipart nor BL's financial advisers, Hill Samuel, will confirm that such negotiations might already be going on. Much less will they indicate quite how Unipart would pay for them...

HOW COMPONENT COMPANIES HAVE FARED (£m)				
The first line gives the company's turnover, the second its pre-tax profit (loss).				
	1984	1983	1982	1981
Automotive Products	221.5	202.3	201.9	212.3
BBA	156.112	150.904	120.407	132.539
	5.513	4.457	3.559	
Armstrong Equipment	110.104	110.824	102.972	102.972
	(1.100)	(3.329)	0.827	
Chloride	379.0	378.7	387.7	352.3
	14.0	0.2	(2.4)	(13.5)
Jones Woodhead	63.491	61.210	62.780	65.500
	0.662	(2.038)	(2.118)	(3.305)
AE	367.4	381.7	441.1	441.1
	0.4	(0.2)	1.0	
Lucas Industries	1,216.8	1,220.3	1,184.2	1,184.2
	2.1	20.2	(21.4)	
Smith Industries	380.7	385.9	367.4	367.4
	24.8	26.5	26.3	

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Save between £20 and £100 a month by standing order, and at the end of 12 months you will be issued with a Yearly Plan Certificate. Hold your Certificate for a further four years and you will earn the maximum rate of return.

Current rate. The rate currently on offer is 9.06% p.a. tax-free over the five years from your first payment. The table below shows how your money grows at this rate.

Total invested in first year (if 12 payments made)	Certificate value when issued (at end of first year)	Certificate value after four years
12 x £20 = £240	£247	£356
12 x £50 = £600	£619	£890
12 x £100 = £1200	£1239	£1781

The rate you will be offered is the rate current the day we receive your application. It's then *fixed and guaranteed* over five years, whatever happens to interest rates elsewhere.

If you don't want to accept the rate offered, just cancel your Standing Order. It's that simple.

Carrying on. You needn't stop your payments after 12 months. We will write and tell you the guaranteed return on your next Certificate. The plan will simply continue automatically if you want to carry on.

You can take your money out at any time, but you will get the best rate of return if you keep each Certificate for a full four years.

Invest Here and Now. Complete the application form and Standing Order below and send them both by first class post to: The Savings Certificate Office, Yearly Plan Section, Durham DH99 1NS.

Do not send any money.

If you are investing for a child under 7, ask for an application form (YP1) at the Post Office. Trustees: write to the Savings Certificate Office for a form (YP2).

NATIONAL SAVINGS YEARLY PLAN



YEARLY PLAN PROSPECTUS

DESCRIPTION AND TAX RELIEF
1. National Savings Yearly Plan (Yearly Plan) is a savings scheme (the Scheme) offered by the Director of Savings on behalf of the Treasury under the National Loans Act 1968. Under the Scheme an agreement is made to make 12 monthly payments leading to the issue of a certificate. The agreement also provides for the applicant to be offered an option to make payments under subsequent agreements, each of 12 monthly payments. Options are exercised by making the first relevant payment and without making a further application but only if at least 7 valid payments are made under the immediately preceding agreement and have not been repaid before the certificate date. Certificates issued under the scheme are National Savings Certificates and the Scheme is subject to the terms of this prospectus and to the Savings Certificates (Yearly Plan) Regulations 1984, or any other regulations relating to savings certificates in force for the time being. A repayment of principal, together with any interest due, will be charge on the National Loans Fund with recourse to the Consolidated Fund and any interest will be free of United Kingdom income tax and capital gains tax.

DEFINITIONS
2. In this prospectus:
"applicant" means an eligible person (as defined in paragraph 3) who enters into a Yearly Plan agreement;
"certificate date" means the date one year after the first of the month which follows the month of the first payment. It will be shown on the certificate;
"certificate value" means the capitalised value of payments made under the agreement together with interest earned on the payments at the certificate date;
"holder" means the person in whose name payments are being made under a Yearly Plan agreement. A certificate issued under the Scheme will be registered in the holder's name;
"initial agreement" means the first agreement made following an application to join the Scheme;
"subsequent agreement" means a second or further agreement which follows on from the initial agreement by the exercise of the relevant option.
"interest rates date" means the date which determines the interest rates which are applicable to an agreement, set out in an offer letter. For an initial agreement it is the date a valid application is received by the Savings Certificate and SAYE Office, Durham, (Yearly Plan Section). For a subsequent agreement it is an anniversary of the date "offer letter" means the letter sent to the applicant by the Savings Certificate and SAYE Office, Durham, (Yearly Plan Section), notifying him of the interest rates and other details of his agreement.

ELIGIBILITY
3. A Yearly Plan agreement may be applied for:
(a) by any individual who has reached the age of 7 years and is not under a legal disability other than by reason of his age; or
(b) by such an individual on behalf of and in the name of a person under the age of 7 years at the date a valid application is received at the Yearly Plan Section; or
(c) by a receiver on behalf of and in the name of a mentally disordered person; or
(d) by not more than 2 trustees, either corporate or individual, where the beneficiary of the trust is a sole individual.

APPLICATION
4. An applicant will complete an application form. The standing order mandate form which forms part of this application must show the day in the month on which payments are to be made. But the Yearly Plan Section will enter the month in which the first payment is to be made and send the standing order mandate to the bank. The date for the first payment will be no less than one month, and no more than two months after the interest rates date. To start the agreement the first payment must be made on the due date. Subsequent payments will be due on the same day of the month in the following 11 months.

INTEREST RATES NOTIFICATION AND ACCEPTANCE
PROCEDURE
5. The interest rates applicable to an agreement will be notified to the applicant in an offer letter sent by post to the applicant's address. If the applicant rejects the offer, the standing order mandate must be cancelled so as to prevent the first payment from being made.

PAYMENTS
6. Payments may be made only under a standing order mandate acceptable to the Director of Savings. Payments can be made in the name of the applicant or by any person or body on his behalf. All such payments, once made, will become the property of the holder.
7. Only one payment per agreement may be made in each of the 12 months of an agreement and each payment must be for the same amount.
8. In the event of the death (other than of a trustee or receiver) of either the applicant or holder no further payments may be made under the agreement without the consent of the Director of Savings. Any payments made in breach of this paragraph will be refunded without interest.

LIMITS
9. The maximum monthly payment under the Scheme is £20. All monthly payments must be in multiples of £5. The total of all payments under the Scheme for the benefit of any one holder must not exceed £100 in any month. A holder who is a trustee will be

treated separately in his personal capacity and in his capacity, as trustee, and separately in respect of each separate trust fund.

SUBSEQUENT AGREEMENTS
10. Providing that at least 7 valid payments are made under an immediately preceding agreement leading to the issue of a certificate, the applicant has an option to enter into a subsequent agreement on the terms of this prospectus as amended in accordance with paragraphs 21 and 22. The applicant takes up the option by continuing the standing order payments provided the first payment under the subsequent agreement is made on the due date. If an applicant does not wish to take up the option the standing order mandate must be cancelled.
11. Payments on subsequent agreements must be for the same amount and be made on the same day of the month, as for the preceding agreement.

TRANSFERS
12. Agreements are transferable only with the consent of the Director of Savings. Certificates are transferable in the same way as other savings certificates.

INTEREST ON PAYMENTS UP TO CERTIFICATE DATE
13. Monthly payments in respect of which a certificate is issued will each earn simple interest for each complete calendar month up to the certificate date. Interest begins on the first day of the month following the month of payment. If monthly payments are repaid before the certificate date no interest is payable.

INTEREST ON CERTIFICATES
14. A certificate showing the option to make payments at the certificate date will be sent to the applicant. The certificate value will earn interest compounded annually on the anniversaries of the certificate date for each whole calendar month from the certificate date up to the date of repayment or the fourth anniversary of the certificate date, whichever is earlier.

BASIS ON WHICH INTEREST IS EARNED
15. If at least 7 payments are made under an agreement the interest rates to be applied to individual payments and to the certificate value will be those set out in the relevant offer letter.
16. If 6 or fewer payments are made under an agreement the interest rate will be 3% p.a. This rate will apply both to the individual payments and to the certificate value.

REPAYMENT
17. The only permissible units of repayment are:
(a) whole certificates together with accrued interest;
(b) all the payments so far made.
18. Repayment will be made on application in writing to the Yearly Plan Section. The repayment warrant will normally be put in the post within 14 working days of receiving an application, but repayment within this period cannot be guaranteed and it is advisable to apply as far in advance as possible. Repayment will be made by crossed warrant, for the purpose of this prospectus, the date of repayment shall be deemed to be the date on the warrant.
19. No repayment will be made in respect of an agreement or Yearly Plan certificate held by a holder under the age of seven years, except with the consent of the Director of Savings.

EXTENSION TERMS
20. From the 4th anniversary of the certificate date, and until 3 months notice has been given otherwise, interest will continue to accrue:
(a) on certificates for which at least 7 payments have been made at the variable extension rate applicable to other extended National Savings Certificates;
(b) on certificates on which interest is payable as the rate of 2 1/2% p.a. until the 4th anniversary of the certificate date; at a rate of 3% p.a.
CHANGES TO THE PROSPECTUS
21. The Treasury may on giving notice withdraw the option mentioned in paragraph 10 of this prospectus, in respect of existing and future agreements. This will not prevent an agreement (without an option) being made where an offer letter has been sent to the applicant.
22. The Treasury may on giving notice:
(a) change the amounts specified in paragraph 9;
(b) change the minimum number of payments specified in paragraph 10 to secure the right to an option to enter into a subsequent agreement;
(c) change the number of payments specified in paragraphs 15 and 16 which determine the basis on which interest will be earned;
(d) lay down, alter or terminate the extension terms under paragraph 20; but not so as to affect others already made before the date specified in the notice or agreements in force.
23. The Treasury will give any notice required under paragraphs 21 and 22 in the London, Edinburgh and Belfast Gazettes or in any other manner, and if a notice is given otherwise than in the Gazettes, it will be as soon as is reasonably practicable thereafter be recorded in them.

Savings Certificate Office,
Yearly Plan Section,
Durham
2 July 1984

1 YEARLY PLAN APPLICATION
Name and Address of Applicant (BLOCK LETTERS PLEASE)

Surname _____ Mr/Mrs/Miss
First name(s) _____
Address _____
Date of Birth (Not essential, but may be useful) Day _____ Month _____ Year _____
Postcode _____

2 I will arrange monthly payments of: £ _____ (minimum £20 maximum £100 in multiples of £5)

3 Other Payments to Yearly Plan: if payments are already being made to Yearly Plan on behalf of the above, please give the Yearly Plan numbers: _____

4 I accept the terms of the Prospectus dated 2 July 1984.

Signature of Applicant _____ Date _____ 19 _____
Daytime Telephone Number _____ (Not essential, but may be useful)

Yearly Plan Standing Order Mandate
Please pay to the Bank of England for the credit of National Savings

Sorting Code Number: 10-21-99
Account Number: 22577009
Quoting Reference: _____

on the _____ DAY of each month until further notice in writing, the sum of £ _____ and debit my/our account accordingly

Please enter full Name and Address of Bank _____
Name of account to be debited _____
Account Number _____
Bank Branch Sorting Code _____ See top right hand corner of cheques

Signature(s) of Account Holder(s) _____
Date _____ 19 _____

Bank may decline to accept instructions to charge standing orders to certain types of account other than current accounts.

THE WEEK IN THE MARKETS

Tail end of the dog days

MAYBE the best news for the market this week was that on Friday it rained. Surely, the dog days ought to be nearly over. Investors will be trekking back, bronzed from foreign climes, to face such realities as the impending dock strike, which this week left equities as calm as a millpond.

Even in its seasonal torpor, the market has been subject to an extraordinary amount of bid rumour and activity. Brooke Bond produced its innovative tape cassette defence against Tate and Lyle, and Tate responded more conventionally (but still waspishly). Horizon reiterated its objections to becoming part of the Grand Metropolitan empire. Even little Moray Firth Marling had a word of protest about the predatory manoeuvres of Scottish and Newcastle breweries.

LONDON ONLOOKER

From the fact that Carless is offering paper only, with no cash alternative. Relative to the Premier share price, Carless shares have collapsed in the past 15 months, and the bid would involve an enormous expansion in Carless equity. Again, as a fellow explorer Carless has little to gain from Premier's tax allowances. An oil producer — or any other high tax-paying company — would derive more advantage from this and might therefore be expected to pay more. Perhaps oddly, though, the market is not banking on this; at yesterday's prices — 216p for Carless, 72p for Premier — the shares are smack in line with the one-for-three terms of the Carless bid.

Wandering Woollies

A huge oil tanker up a creek? seems a brusque description of Britain's largest chain store. But the term comes this week from Mr John Beckett, Woolworth's chairman since the group changed hands in late 1982.

In Mr Beckett's view, however, the group has since been laboriously backing its way out of the aforesaid muddy backwater, and is now starting to show its way up the main channel. In bolder terms, this means that it has taken a long while

to get Woolworth running on sensible lines, and that only now can the group address its principal problem — what its stores ought actually to be selling.

Under the old regime, Woolworth's store management was certainly rather messy. Store layouts were confused and confusing, and there were stories of stocks lying for so long in store-rooms that staff had forgotten they were there. With the change of management, it proved possible to tidy up the stock position rapidly, as several Woolworth suppliers found to their cost. A start has also been made on improving store layout and design, with some pilot stores producing doubled sales as a result.

Woolworth now feels ready to address its central problem, that of selling far too many things on an apparently hit-or-miss basis. Who would think of going to Woolworth to buy fishing tackle? And yet it apparently manages to sell more of it than anyone else in the country. The public may drift through Woolworth stores — as they do in remarkable numbers — but too often they have no clear idea of what they came for.

The new marketing strategy is set out for Woolworth employees in their house magazine. What exactly they will make of it, about "cornerstone watchwords" and "strategy product mix" is an open question; and indeed, the range of products — from handbags and gales to records and house plants — is still enough to confuse anyone. But introducing

logic to the Woolworth range is bound to be a long haul.

A successful chain like Marks & Spencer, for instance, can make money out of widening its product range. But M & S has two essential strengths: a clear image with the public of what it sells already, so that products can be added around the edges; and a management and staff which are capable of tracking how well products are selling, and removing them promptly if they don't.

Woolworth is well aware of its staff problem, but the solution will again take time. Sales staff will not normally work for Woolworth as first choice, if only because the wages are too low. But if Woolworth were to switch immediately to paying M & S-style wages, it would risk going out of business.

Despite the problems, though, Woolworth is a sleeping giant whose potential — if it really wakes up — is immense. The point is not just on the stock market, which has been pushing the shares higher ever since the 1982 takeover. The new marketing strategy, though scarcely a final answer, is at least evidence of the management sustaining momentum over the long haul.

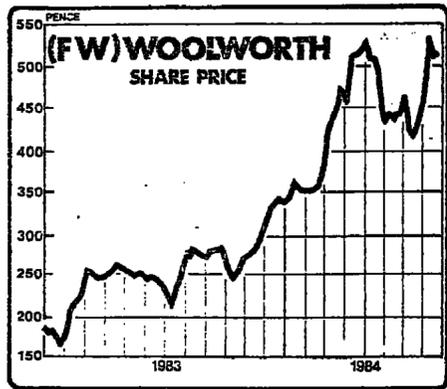
Cadbury assortment

Cadbury Schweppes can usefully be divided into three parts: the good bit, the middling bit and the rest. The good bit is, of course, chocolate confectionery — a wonderful business in the context of the UK food industry. Almost uniquely, chocolate bars have kept their strong branding, with scarcely any competition from own label products, and still sell in quantities through small retailers; so they are largely exempt from the ferocious pressure exerted elsewhere by the likes of Sainsbury and Tesco.

Pricing pressure in fact comes from competition among the three industry giants, Cadbury, Mars Bar and Cadbury's own Dairy Milk. But they are largely immune from new competition since the obstinately unfragmented nature of the market makes the manufacturing and marketing costs of new entry very high.

All the same, it had been expected that Cadbury's recent aggressive pricing policies would make for almost no profit increase in UK confectionery in the first half of this year. In fact, within the £6.2m increase in group pre-tax profit announced this week — to £38.7m — UK confectionery accounted for something like £2m.

Much of this was due to one new product, the Wispa chocolate bar. Wispa — a subtly different version of Rowntree's



Aero — is so far available in only a third of the UK. But if a big if — it can tell as strongly about the country as a whole, it could reach sales of 350m bars a year. At 16p a unit, this would bring its retail value to £56m — bettered only by KitKat, Mars Bar and Cadbury's own Dairy Milk.

As to the middling bit of the group — soft drinks — the interim figures saw a strong profit improvement. But volume in this business is acutely sensitive to the weather, and 1984 was hotter in the first half than 1983. A more important underlying weakness is that in the UK Schweppes is heavily dependent on mixer drinks — a market which has been declining in recent years along with spirit consumption. Again, Schweppes is stronger in the pub and off-licence trades than it is in supermarkets; and lately, as people have taken more to drinking at home, the big retailers have been increasing their share of the declining mixers market.

The rest of the group — the Jeyes health and hygiene business, and tea and food — is pretty much a mixed bag. Some analysts believe that Cadbury would be well advised to get rid of these heterogeneous bits — which, with Jeyes' asset value at some £20m, and the tea and food divisions at £75m, would be a useful cash-raising exercise. More useful, perhaps, than the impending New York issue of 40-60m shares in the form of ADRs.

Still, 1984 should be a good year for the group. Assuming interest saving from the New York issue in the final quarter, analysts are looking for full-year pre-tax profits to reach at least £120m, an increase of £13m on last year.

Surprise packages

The UK package tour industry is never easy to interpret, but this year it has been positively

bafling. Back around Christmas, with the peseta and drachma falling, the major operators were talking confidently of massive price cuts — and record volumes and profits — for the 1984 season. But by early summer, the talk was all of disastrous lack of demand and overcapacity. And just lately, there have been reports of holidaymakers stampeding into travel agents' offices with last minute August bookings.

Results this week from two tour operators, Horizon and Saga, did little to clarify matters. Both were reporting interim figures — Horizon to end-May, Saga to end-April. Both made losses. For Saga, this is normal, since it makes all its money in the second half, and the losses were up only slightly at £2.3m. For Horizon to make a loss of £0.9m is rather more serious, since the group has 12 per cent of the winter holiday market, and made first half profits in the previous year of £0.7m.

The stock market, though, is already looking to summer 1985. It does not like what it sees. The Mediterranean currencies have started strengthening, and there are no longer the large discounts in the forward currency markets which did so much to cushion operators ahead of the current season.

In consequence, it looks as if the major competitors are thinking twice about the price war tactics which have characterised the past few years. Horizon chairman Mr Bruce Tanner said on Wednesday that he expected industry prices for next year to go up by around 20 per cent. As a result, he expects volumes to be flat. It remains to be seen, though, whether this cosy club atmosphere will prevail if bookings fail to materialise nearer the time.

Tony Jackson

Return to life

NEW YORK TERRY BYLAND

WALL STREET surprised every one and perhaps itself, by suddenly springing back to life in the middle of the week, when market indices soared in the kind of trading that brings joy to the hearts of the most hardened trader.

The return of the bull market, if that is what it was, came out of the blue. It could not be accounted for by the minor revision in second quarter GNP announced at the beginning of the week, nor could its origins be traced to the bond market which continued to be in at least two minds about interest rates and remained dormant when stocks were surging ahead on Tuesday.

But there was no doubt about the presence of the heavyweight from the major institutions. The total of block trades increased substantially and remained high throughout the week. Attempts to explain the renewed advance were faint-hearted. The market was feeling confident that the meeting of the Federal Reserve Open Market Committee (FOMC) at the beginning of the week would decide to leave credit policies alone.

The economy, viewed from Wall Street and also, hopefully, from the Washington office of Mr Paul Volcker, seems to be both slowing down nicely but also keeping going at a healthy pace.

Pressures at the short end of the credit markets appeared to be slackening a little as the problems in the thrift industry were brought into the open. Federal funds remained high, presumably in response to a decision at the July 16 meeting of the FOMC, but would probably go no higher.

So, taking all these ingredients together, and surging in the substantial cash balances still held by the institutions, it was not too far-fetched to expect the market, having absorbed the upsurge at the beginning of the month, should be ready to go again. Or, so ran the argument.

However, the new spate of confidence was soon tested. The very next trading session saw the bond market react downwards to the latest consumer price index and then to the increase in durable goods orders for last month. Both were a little stronger than the market either liked or expected, and bond prices fell by more than a point, albeit in thinning trading.

The renewed weakness in the bond market reactivated those who continue to point out that the returns to investors in federal securities remain very attractive vis-a-vis those available from the stock market. The stock market turned cautious again, and although

most of the week's gains remained intact, the trend returned to its previous sluggish mode. Turnover slipped back to more normal levels and the blue chips, which had led the advance, churned around their newly-established levels. There were some indications that the market had been overbought and needed another period of consolidation.

The stock market still needs to see a further fall in interest rates to give it the confidence to renew the bull phase. It is on this point that commentators with the summer of 1982 invariably founder.

However, with short term rates still very firm, and the long end of the bond market locked into the debate over bearer bonds, the outlook for interest rates remains uncertain. Further convincing action on the Federal deficit is now unlikely before the presidential election, which has also made all discussions of tax cuts somewhat academic.

The modest slowdown in the economy indicated by the July retail sales figures and the car sales for early August is a hopeful indicator of the outlook for interest rates. But the market will need further evidence before taking the bit between its teeth again.

The market was not entirely focussed around the upswing in the blue chips. Among a host of features, stock in American Express (AMEX) stood out strongly, topping the list of active stocks on two days of the week.

Significantly, Amex stock moved higher in the wake of the disclosure that Financial Corporation of America (FCA) had sold 7m of its 10m share stake in Amex. The deal was the second largest in terms of number of shares ever recorded on the New York Stock Exchange.

Investors had been fearful for some weeks that FCA would sell its Amex stake in a hurry to raise cash, and were happy to see the bulk of the FCA stake sold in the market without noticeable fuss. While there are still the doubts over the outlook for the insurance operations of Amex, the sale of FCA's stake has removed one cloud.

MONDAY	1216.98	+ 22.75
TUESDAY	1239.73	+ 22.75
WEDNESDAY	1231.78	- 7.95
THURSDAY	1232.44	+ 0.66
FRIDAY		

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1984	1984	
	£/share	on week	High	Low	
F.T. Ind. Ord. Index	836.8	- 1.5	922.8	755.3	Dock dispute inhibits trade
Allianz Versicherungs	£225 1/2	+18 1/2	£226	£191 1/2	Domestic market strength
Anglo-Ind. Inv. Assets	575	+87	610	384	Bid from Dominion Intl.
BICC	235	+12	287	208	Interim results due soon
Brengreen	66 1/2	+ 9 1/2	82	46	Bid suggestions
Dale Electric	78	-10	94	78	Disappointing annual figures
De Beers Defd.	428	-28	616	384	Int. div. standards disappoints
Eglington Oil & Gas	95	-30	245	76	Columbian drilling doubts
Highgate & Job	110	+27	225	70	Ramsdell Trading's 25.4% stake
London Prudential Inv. Trst.	236	+16	243	190	Bid from Kleinwort Benson
Metal Box	354	+18	378	287	Renewed American buying
Munford & White	170	+36	230	67	Increased Tunstall offer
Neill (James)	81 1/2	+11 1/2	83	41	Good half-yearly results
Premier Cons.	72cc	+14	74	42	Bid from Carless Capel
Scottish & Newcastle Brew.	108	- 8	129	98	Chairman's gloomy statement
Shell Transport	642	+27	704	538	World oil situation improves
Smith (W.H.) A	146	+16	160	118	Better-than-expected results
Standard Chartered Bank	462	-26	574	440	Disappointing interim figures
Turner & Newall	89	+14	100	65	Sudden U.S. demand
Victor Products	93	+13	134	78	Revived bid hopes

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Vanbrugh

A tale of two giants

ONCE UPON A TIME, two giants of the South African mining industry announced their results in the same week. The first giant reported an increase of one-third in attributable profits for the first half of its financial year, while the second giant had to admit that its profits for the full year had fallen by 8 per cent. Both decided to leave the level of their dividends unchanged.

The subsequent performance of the respective share prices was curious, to say the least. Giant No. 1, better known as De Beers Consolidated Mines, saw its shares fall 14p in London immediately after the release of the figures, even though the group had reported an improvement in profits. The shares slipped further on succeeding days, recording a total decline of 29p in the three days after the results.

Giant No. 2, otherwise known as Gold Fields of South Africa, watched as its share price edged cautiously upwards, gaining 23p in the two days following the release of the lower profits figure.

Why the difference? It all comes down to investors' expect-

tations of the respective dividends. Mr Robin Plumbridge, chairman of GFSA, had told shareholders in his annual statement for last year that there might be scope for modest increase in the divi-

MINING GEORGE MILLING-STANLEY

dend, provided there was no fall in earnings.

GFSA's profits are linked primarily to the level of dividends from its investments in the gold mines, and thus to the relationship between the gold price and earnings costs. There is also important income to be derived from the group's dealings in the gold share market, and here volatile share price are a prerequisite.

In the event, there has been little or no growth in dividends, and the market has remained decidedly sluggish, with the result that GFSA's earnings were widely expected to be lower than for the previous year. There

was thus no real surprise in the fact that the dividend was not increased.

For De Beers, by contrast, diamond sales have been increasing, giving rise to hopes of a stronger performance on the diamond account. In addition, the associated companies Anglo American Corporation and Minerals and Resources both registered improvements, boosting De Beers' share of income from associates.

A better performance from the group was thus on the cards, and one or two commentators went so far as to forecast a rise of perhaps 2½ cents in the interim dividend.

De Beers itself gave no hint of any change in the level of dividends, and in fact it would have been surprising if the directors had made such a rapid recovery from the traumas of just 2½ years ago, when they faced up to the inevitable and cut the dividend for the first time in almost 40 years.

Aware of the shockwave that decision set off, and has no desire to repeat the experience ever again, a period of stability in dividend declarations seems inevitable, and De Beers is unlikely to raise the payout until it is absolutely convinced that the higher level can be maintained through bad times as well as good.

Expectations of a higher dividend at this stage were therefore clearly premature, and investors have only themselves to blame for their disappointment. Oh, and of course, those commentators who predicted an increase. Beware of analysts bearing gifts?

The market makers in Australian mining shares heaved a collective sigh of relief this week as Mr Paul Keating unveiled his proposals for the country's budget. Overall, the budget was kind to the natural resources companies, giving this sector of the share market a welcome boost.

Of paramount importance was the fact that gold mining will remain exempt from tax, while there was also comfort for the mining industry in the move to allow exploration spending to be offset against income from any source, rather than just against direct mining income.

Beyond that, the dreaded Resources Rent Tax still seems as far away as ever from being applied to hard-rock mining. What more could the industry ask for? Well, lower charges for power and freight, for a start, but you can't have everything, can you?

Where to find a guru

BY WILLIAM DAWKINS

GROWING NUMBERS of USM newcomers are grooming themselves for the autumn new issues season.

They will be trying harder than ever to attract your cash ahead of the mammoth British Telecom flotation in November — but where can you turn to for advice?

Only a year ago, stockbrokers prepared to devote much research to the USM were distinctly thin on the ground. A handful of share tip-sheets of highly variable quality did little to fill the gap.

But thanks to a growing awareness in the City that the political climate is set fair to encourage the growth of small companies and that the 257-strong USM is here to stay, the situation is now very different. Many USM shares are still drifting in an information vacuum, but most leading brokers are devoting an increasing amount of research effort to the stocks they hope will become the ITCs of the future.

Continental Illinois, the U.S. commercial bank, highlighted the change in its recent annual survey of the quality of investment research, when it included for the first time a section on the USM, listing 16 brokers.

Top of the division, with nearly 31 per cent of the votes of a sample of institutional investors, was Simon & Coates, closely followed by Hoare Govett with almost 30 per cent, and further down the field by Griesevon Grant, with 21 per cent of the votes.

Simon & Coates are active new issue sponsors, but Hoare Govett were the first to publish extensive USM research and

Unlisted Securities Market

offer the broadest — if not the most detailed — service.

Not surprisingly, few brokers will be prepared to advise you on the USM or send you their latest research publications unless you do business with them.

Hoare Govett is no exception, although it will send you its weekly USM data sheet, which has a circulation of 200, for an annual £50 subscription. On top of that, there is an annual directory of USM companies, due to be republished in November. The first edition last year cost £25, but prices are now being reviewed.

Hoare Govett clients can get, at no direct charge, comments on new issues within 24 hours of the publication of a prospectus, through the Stock Exchange's Topic screen system. The same service is available via the telephone network on Prestel, and Hoare Govett also publishes a monthly review of 20 USM stocks, due to be expanded to 40 over the next few months.

Simon & Coates's 20-strong research team has deliberately taken a more selective approach, with a monthly bulletin which concentrates on electronics companies — its traditional field of expertise — many of which are quoted on the USM. There are also occa-

sional bulletins on individual USM stocks.

Like most brokers, Simon & Coates publishes its research publications to institutional clients only, but it is also prepared to issue material to private investors "with a serious interest in the USM," and places much importance on its telephone advisory service. Griesevon Grant's monthly USM review, free to clients, covers 60 USM stocks, including the junior stock market's 16 oil companies. These account for 13 per cent of the USM's value, the most important sector after the electronics sector, which takes up 21 per cent of total capitalisation.

"Apart from oils, our target is to cover those companies with the best potential to move to a full listing," says Griesevon's Vanessa Jackson.

Beyond the big three, the most important stockbroking sources of USM advice must be Capel-Cure Meyers and James Capel. Capel-Cure offers a monthly survey of around 60 smaller companies including 21 on the USM, while James Capel covers 12 USM stocks in detail and is planning a small company monthly to cover a much larger range.

James Capel sends research to private clients only on demand, and it prefers to take on enquiries for a fee, of less than £50,000. Neil Blackley, its smaller companies expert, emphasises that his enlarged service will not concentrate on the USM alone.

"For investment purposes, there is really no logic in restricting yourself to the USM," he says. "It is more a question of looking for small companies which offer prospects for above-average growth."

UK CONVERTIBLE STOCK 25/8/84

Name and description	Size (£m)	Current price	Terms*	Conversion dates†	Flat yield	Red yield	Premium‡		Income		Div†	Current
							Current	Range‡	Equi	Conv†		
British Land 12pc Cv 2002	8.60	404.50	333.3	80-87	3.0	-1.3	- 7 to -1	28.1	30.7	0.6	+ 2.0	
Hanson Trust 9pc Cv 01-06	£1.54	343.50	160.7	85-01	2.9	-2.8	- 9 to -2	166.7	74.1	-26.2	-23.3	
Slough Estates 10pc Cv 87-90	3.03	291.50	234.4	78-85	3.4	-5.8	-11 to -2	13.9	4.8	- 2.9	+ 2.8	
Slough Estates Spc Cv 91-94	24.72	135.50	97.5	80-88	6.4	3.9	- 5 to 1	22.5	22.9	0.3	+ 2.7	

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † Three-month range. ‡ Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. § Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ¶ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. † The difference between the premium and income difference expressed as per cent of the value of underlying equity. ‡ An indication of relative cheapness. § An indication of relative dearthness. ¶ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Today's Rate 11 3/4%

3i Term Deposits

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid half-yearly. Rates for deposits received not later than 7.9.84 are used for the terms shown:

Term (years)	3	4	5	6	7	8	9	10
Interest %	11 3/4	11 3/4	11 3/4	11 3/4	11 3/4	11 3/4	11 3/4	11 3/4

From 6th April 1985, interest will be paid after deduction of tax at the applicable rate to UK resident individuals on deposits of less than £10,000. Deposits over £10,000 are exempt from tax. For further information, contact your nearest branch or write to: Investor Services, Department of Banking, Citicorp, 91 Waterloo Road, London SE1 8JZ (01-573 7823 Fax: 01-573 7824). Cheques payable to Citicorp, 40 Colindale Avenue, London NW9 1UH.

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IBS hangs on tenterhooks

IMMEDIATE Business Systems' share prices seem to be pausing for breath after its recent meteoric rise.

Over the past month, its shares have gained by 50 per cent to settle at 36p during the week, where the loss-making portable billing equipment maker is valued at £4.5m.

The market is on tenterhooks over whether IBS's four-week old discussions with a third party — said to be a major computer group — will lead to a bid. If they do the directors will have turned something of a full circle from the time when they staged a £1.5m management buy-out of the rights to the bill-

ing machine from their former employer, Plessey.

Two-and-a-half years, two rights issues totalling £4.5m and £4.2m of losses later, IBS has built up a £4.5m order book. But it needs annual sales of between £6m and £7m just to break even, and will be lucky to reach that level without running through its cash balances of less than £2m.

Of course, IBS might become profitable much more quickly if it could share its overheads with a new owner.

The main problem was that its principal machine, which allows gas, water and electricity

to be issued within seconds

YOUR SAVINGS AND INVESTMENTS

PENSIONS Tax-free top-up

MEMBERS OF company pension schemes are usually able to make Additional Voluntary Contributions which are invested to boost their pension rights.

Man aged 53, currently earning £20,000 a year. Retiring at 65 with 30 years service in his present company.

Company pension benefits at 65: either a pension of £14,191 per annum or a tax free lump sum of £56,949 and a reduced pension of £7,363 (the widow's pension would be half this amount).

AVC Scheme - contributing 5 per cent of earnings. Accumulated sum at 65 £26,351. This will boost pension by £2,812 per annum in fixed money terms or £1,897 per annum increasing by 5 per cent each year or £1,290 per annum index-linked (reducing by half to widow - wife three years younger).

* Assumptions: Investment return 8 per cent per annum. Earnings growth 6 per cent per annum. Retail Price Index 5 per cent per annum. This is a typical set of assumptions used by consulting actuaries.

Source: Equitable Life

extension of the company by this suggestion, preferring to offer personal pensions as an alternative, not an addition, to company schemes.

Trustees need not wait for Mr Fowler to consider further. They can put AVCs on a personal basis so that the employee can select from the present AVC range, from a secure building society scheme to a one investing in overseas or specialist equity funds under a linked pension plan.

The National Association of Pension Funds, in its evidence to the portable pension inquiry chaired by Mr Norman Fowler, Social Services Secretary, advocated the use of the AVCs as a third tier pensions element on top of the company scheme, with a complete liberalisation of the AVC arrangements.

The association's proposals, which were supported by the CBI and other employer organisations, envisaged individual employees being able to have complete freedom in making their AVC arrangements.

Mr Fowler was not impressed

INVESTMENT TRUSTS

New way to save

FOR THOSE wishing to save a regular sum every month, life assurance has always been the recommended investment medium - at least it was until the Budget in March removed the tax relief on life policy premiums.

Since then, for most people, unit trust savings plans have been given the edge both by the tax system and by their lower commission costs.

This week however a third type of investment institution has for the first time entered the battle for the money of regular savers - the investment trusts. Foreign and Colonial, the oldest and second largest investment trust with assets of about £450m, is launching a plan to allow savers' regular monthly payments to be used to buy Foreign and Colonial shares.

In addition, the savings scheme will permit F & C shares. Shareholders can also have the dividends they receive from other companies re-invested automatically in F & C.

Not that there has even been any bar against investors using their savings and their dividends in this fashion. But having to deal so frequently with small amounts of money is time-consuming. It is also expensive as large amounts of commission have to be paid to stockbrokers to buy shares in small quantities.

Under the F & C saving scheme, all the monthly individual orders to buy shares from F & C shareholders will be lumped together by F & C's registrars, the Royal Bank of Scotland. This should mean that only the minimum 1.65 per cent

commission charge to stockbrokers will have to be paid.

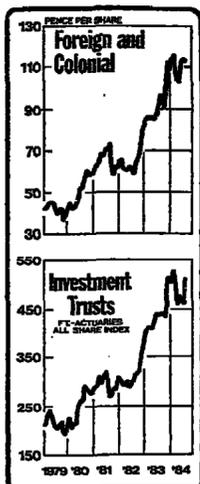
Your net dividend payments, after basic rate tax has been deducted, can be mandated direct to the Royal Bank of Scotland which will use the money to buy F & C shares without any need for your intervention.

Such a scheme for re-investing dividends, which is similar to the service offered by accumulation unit trusts, is widely employed by U.S. companies. But British companies, including investment trusts, have been inhibited from offering such a service by the laws against companies promoting the sale of their own shares.

So far the only other investment trust to offer a regular savings plan, excluding any dividend re-investment, is the Alliance Trust of Dundee. But it has attracted very few clients (accounting for only 0.1 per cent of the shares).

In this case, the savings scheme is open only to F & C shareholders so that it can be presented as a service to existing shareholders. So you will have to buy a few F & C shares by yourself through a stockbroker or bank before you can take advantage of the service.

The savings scheme client does not have to meet directly any of the administrative costs of the scheme. These will be borne by F & C shareholders' attraction of the scheme for existing shareholders is that the regular inflow of money used to buy F & C shares should help boost the share price. This may bring down the 20 to 30 per cent



discount at which F & C shares, like those of most investment trusts, trade relative to the value of their underlying assets.

Nevertheless, F & C Investment Trust, as an international diversified fund, has a better investment record than the average for its sector (see graph). It actively manages its currency exposure which is often quite different from its spread of stock market investments.

For example, at the start of the month, 17 per cent of its assets were invested in Japan but its exposure to the yen was 31 per cent - while 55 per cent of its assets were in the U.S., its U.S. dollar exposure was only 17 per cent.

Clive Wolman

Costing your loan

Consumer Credit

FROM SEPTEMBER of next year you should find it easier to choose and compare the cost of a mortgage.

Building societies are to be required by law to quote the interest rate on their mortgages as an annual percentage rate (APR) rather than the nominal rate which they quote at present. Banks are already required to quote the APR.

It won't make any difference to the actual cost of your mortgage. The aim of ending the exemption is to make it easier, in the government's words, to "judge and compare the true cost" of the alternative mortgage schemes available.

The APR requirements were first introduced to provide a common yardstick when comparing the cost of various credit facilities offered by a wide range of institutions. Most interest rates were quoted on a monthly basis and the various charges on top of the actual interest rate varied widely.

This made it difficult for the consumer to get a clear picture of the financial commitment they were taking on or to choose between different lenders.

The APR, which is intended to show the annual percentage rate of the full charge for credit, has several components. It includes the interest rates which have to be quoted on an annual basis, and most other charges which affect the cost of borrowing. In the case of mortgages, this includes the valuation fees and solicitors' mortgage charges. In the case of the banks, the APR would

also include their one-off arrangement fee.

The APR is higher than the nominal rate which societies quote, partly because it includes these extra charges.

But the APR also takes into account the timing of payments. The earlier you have to make a payment, the more costly it is. Building societies require interest to be paid monthly throughout the year rather than just in one lump sum at the end of the year. Because you are paying interest "early" the true rate is higher.

In addition, the amount of interest you have to pay is fixed as a percentage of the amount you owe at the start of each year. But each month you are repaying a sizeable chunk of the loan. In quoting their nominal rate, societies take no account of this, which means that they charge you the same amount of interest on a diminishing debt.

The difference between the true rate of interest and the quoted nominal rate is particularly striking when you have reached the last few years of a 25-year repayment mortgage.

For instance, a nominal rate of 13 per cent becomes a true rate of 15.3 per cent in the 25th year, 17.3 per cent in the penultimate year and as much as 25.82 per cent in the final year.

For this reason, it can often be worth paying off your mortgage entirely a few years before the end of the term.

NEXT WEEK: Pawnbrokers

Margaret Hughes

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are as at:

Table with columns for 'as at close of business on Monday 20th August 1984', 'as at 31st July 1984', and 'as at close of business on Monday 20th August 1984'. It lists various investment trusts with their investment policies, management, share prices, yields, net asset values, and geographical spread. Includes a 'NOTES TO THE TABLE' section and 'INDICES OF FIVE YEAR TOTAL RETURN'.



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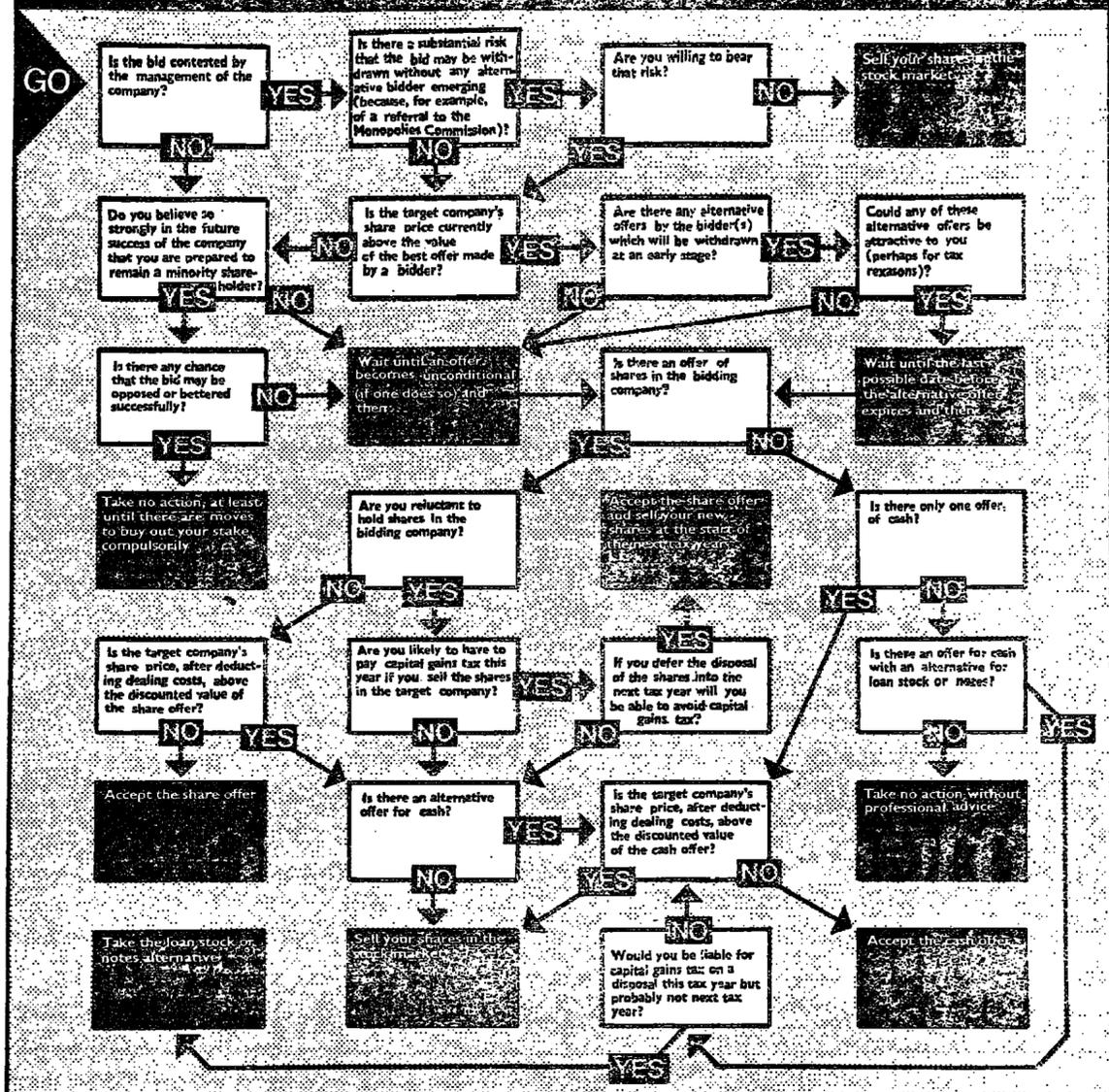
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What to do in a take-over



Profits from merger boom

THE WEDDING season in July and August has this year extended beyond the ranks of romantic couples to most sectors of corporate Britain. Over the past weeks, new families of companies have been forming, often between the most unlikely partners, at a faster rate than at any time since the great conglomerate boom of the late 1960s and early 1970s.

Sometimes the engagement is announced after an intense period of private wooing. On other occasions, the suitor has to let news of his advances be publicly known and the wedding settlement made more attractive before he wins his desired. And from time to time, the wooing degenerates into a long and embittered fight.

The little man who has only a small equity stake in a target company which is being wooed is likely to be baffled by all the jargon and the technical complexities. Should he accept the offer for his shares in the target company?

Should he accept the offer in exchange for shares in the bidding company or in exchange for money? (City folk always call money "cash" even though you never get tenners or fivers — just a cheque.)

Working out a course of action, however, is not always as difficult as it seems—at least not for private investors who lock the door to determine the success of a take-over bid and the fate of company management.

It is important however, for the little man to know which way the big players are likely to jump and how much more money (if any) the target company is likely to squeeze out of the bidder. And there is a simple way to do so: look at the target company's share price in the stock market.

If the price is above the value of the last offer, stock market investors are expecting an improvement in the terms, or a higher offer from a rival bidder. More often than not, over the last year the stock market has underestimated the possibilities of improved offers.

The rival bids for the Eagle Star insurance company which was eventually won by BAT Industries provide one example. But you would not be wise to try to second-guess the market. According to Tony Richards, of stockbrokers Quilter Goodison: "The market may appear to act strangely but it is a good indicator. It may know of the influence of a large family interest, for example."

In fact, if your shareholding

is already showing a substantial profit, it might be more prudent to sell your shares through the stock market, particularly if the price is above the last offer. There is always the risk that the bid could be withdrawn or be frustrated. Thus, last month, Initial's share price fell back after BET's bid was referred to the Monopolies and Mergers Commission.

In such a situation, Graham Mann, the private client partner of stockbrokers Grieson Grant, suggests that investors hedge their bets by selling half their stock in the market and holding back the rest in the expectation of an improved bid. This is what his firm has been advising in the current Tate and Lyle bid for Brooke Bond.

But note that a failed bid is not always a disaster for the target company's shareholders. Its share price, after shooting up in expectation of a successful bid, may remain buoyant. This happened after Erc's bid for Sunlight Industries failed. The stock market may reassess the company's prospects, perhaps because of management changes.

Alternatively, the bidder may return to the fray a year later, as soon as the rules permit. This was how S. and W. Berli-

mid for Phoenix Assurance last month.

If capital gains tax is not an issue, you should look more carefully at the market price for your shares compared with the value of the offer for shares, loan stock or cash by the bidding company. The market price usually falls below the value of the offer once the bid has been agreed, and dealers' costs further depress the proceeds of a sale.

However, the advantage of selling your shares in the market is that you receive the money fairly promptly whereas you may have to wait for up to three months before you receive your payout from the bidding company. The norm is around six weeks. Thus by selling in the market, you have the use of the money to reinvest or put on deposit.

An article on these pages on July 14 pointed out that, in the ANZ bid for Grindley's bank, the Grindley's share price had fallen too low in relation to the value of the offer, even allowing for the earlier payment.

It is therefore worth comparing the share price with the value of the offer, discounted by the amount you could earn by having the early use of the money (after tax).

As Michael Jodrell, partner of stockbrokers Rowe and Pitman, says: "There is quite a lot of inconsistency in the market price after a bid has gone through."

Timing is crucial if you intend to accept the bidding company's offer. Normally it is best to wait until the offer becomes unconditional. Before that, the bidder may withdraw the offer if his conditions are not met (e.g. he has won less than 50 per cent of the shares) or his offer may be bettered.

However, if you intend to accept an alternative offer by the bidder, perhaps for cash or loan stock, read carefully the offer document that will be sent to you by the bidder. Often the bidder withdraws the alternative offer at an earlier date while the main offer still stands.

The problems of timing, tax and evaluating precisely the different offers on the table can be very complicated. You would probably be wise to take the advice of a stockbroker who specialises in dealing with private clients.

His advice will be crucial when further refinements are thrown in, such as an offer of convertible loan stock or preference shares. The tactics too can become hair-raising when a single institution—or family—holds a large decisive stake in the target company.

Confronted with such complexities, the shareholder may be stumped into inaction like a frightened rabbit. But doing nothing is also dangerous. You may find yourself a minority shareholder in the company at the mercy of the parent.

Sometimes minority shareholders can do well, as have those in News International or in Royal Dutch/Shell's U.S. subsidiary. But it will probably be difficult to sell your shares and your dividends may be cut whenever the parent company wishes.

In any case if the remaining minority shareholders hold less than 10 per cent of the total shares being bid for they can be bought out compulsorily.

Summary of current bids. Page 16

CLIVE WOLMAN explains how small shareholders can use the decision tree to maximise their profits from company mergers

ford ultimately succeeded in capturing the British Sugar Corporation in 1982.

The adjacent decision tree, which gives a simplified explanation of what you should do, covers only the most straightforward strategies. For many private investors, in any case, the more important consideration is that of capital gains tax.

If you sell out your whole stake in the target company for cash, you will probably have marked up a substantial profit. This may push your total capital gains for the current tax year until April over the £5,600 tax-free limit. Thus it may well be worthwhile deferring your gains, or part of your gains, until after April 5 when you will have another £5,600 exemption to use up.

Swapping shares in a target company for shares in a bidder does not count as a disposal for tax purposes. So even if you are reluctant to hold the bidder's shares, because you do not like the company or already have enough of the shares in your portfolio, it might be worth doing so for a few months.

An alternative may be to accept loan stock or loan notes issued by the bidding company. For higher rate taxpayers at least, these will not normally be an attractive long-term hold because the interest they yield is heavily taxed. Also, their market value is often below the value of the share alternative, if there is one.

However, loan stock has attractions, if held for only six months or so. To permit CGT saving, several 'hiding' companies have been induced to offer a loan stock alternative to their cash offer—for example, Sun Alliance in its

MORTGAGES

Banks lead rate-cutting

WHO IS CHARGING WHAT FOR MORTGAGES				
SOCIETY	SIZE OF LOAN £	REPAYMENT RATE %	ENDOWMENT RATE %	
Abbey National	up to 15,000	12.75	13.75	
	15,000-25,000	13.125	13.625	
	25,000-30,000	13.375	13.875	
	30,000-35,000	13.625	14.125	
Halifax	up to 25,000	12.75	13.25	
	25,000-30,000	13.25	13.75	
	30,000-35,000	13.75	14.25	
	35,000 and up	14.25	14.75	
Alliance	up to 15,000	12.50	13	
	15,000-25,000	13	13.50	
	25,000-30,000	13.50	14	
	30,000-35,000	14	14.50	
Nationwide	up to 40,000	13	13.50	
	over 40,000	14	14.50	
Leicester	up to 15,000	12.75	13.25	
	15,000-20,000	13.25	13.75	
	20,000-30,000	13.75	14.25	
	over 30,000	14.25	14.75	
Woolwich	all loans	12.75	13.25	
Anglia	up to 20,000	12.50	13	
	20,000-30,000	13	13.50	
	30,000-35,000	13.50	14	
	35,000-40,000	14	14.50	
BANK	SIZE OF LOAN	REPAYMENT RATE (APR)*	ENDOWMENT RATE (APR)*	
Midland	all loans	13.50%	14.50%	
		(14.1%)	(15.20%)	
Lloyds	all loans	12.5%	13.0%	
	up to £30,000	(13.4%)	(13.9%)	
NatWest	all loans	12.75%	13.75%	
		(13.60%)	(14.80%)	
Barclays	all loans	12.50%	13.50%	
		(13.0%)	(14.1%)	
TSB	all loans	13%	14%	
		(14%)	(15%)	

* Annual percentage rate.

MORTGAGE RATES are starting to fall in the wake of recent cuts in bank base rates under the pressure of increasing competition between the banks and the building societies.

The high street banks are leading the assault on mortgage rates, with the Trustee Savings Bank group recently announcing a half percentage point cut in both repayment and endowment mortgage rates to 13 per cent and 14 per cent respectively, effective on October 1.

The move follows a similar cut in mortgage rates announced by Barclays on August 17 when it chopped repayment mortgages from 13 per cent to 12 per cent and endowment mortgages to 13 per cent from 14 per cent.

The building societies have generally not modified their rates since last month's Building Societies Association meeting. This recommended a 2½ percentage point increase to a rate of 12.5 per cent. Alliance and Anglia have been the only two societies to observe this BSA recommendation precisely—at least for repayment mortgages under £15,000.

But the pressure for mortgage rate cuts by the building societies is mounting because of the aggressive lending policies of the high street banks. Unlike the societies, banks charge no differentials for larger loans. Their flat rate makes them more competitive at the upper end of the mortgage market.

For example, a £35,000 repayment mortgage from Midland Bank carries a rate of 13.5 per cent, which is nearly half a per cent lower than the rate avail-

able from Abbey National (15.575 per cent) for the same loan. However, for mortgages between £20,000 and £25,000, the average size, Abbey's specific rate of 13.125 per cent is more competitive.

Many banks are also offering a different method of calculating mortgage interest tax relief in that of the societies, claiming that this benefits today's borrower.

Under the net repayment method, operated by TSB and NatWest, repayments on a mortgage are lower in the early years of the mortgage, but they gradually increase during the term, until they surpass the constant monthly rate set by the building societies.

TSB calculates that a £30,000 loan over 25 years will have an initial monthly repayment of £248.60, compared with a monthly payment of £261.73 for a building society. The differential narrows over time, but for the first seven years mortgage outgoings are lower for banks using this method.

In spite of the competition from the banks, many building societies feel under little pressure to lower their mortgage rates. Anglia said last week: "We see no sign of mortgages slackening off and we feel demand is strong enough to sustain high rates."

Last month's dramatic drop in net receipts from investors to £608m has made building societies wary of cutting rates. Against this, the societies lent almost £2.4bn in new mortgages, requiring them to run down their cash reserves for the fifth successive month.

Another example of mortgage rate competition is not rate cutting, but rate "squeezing," as practised by Abbey National. The rate differential between this society's lowest (under £15,000) and highest (over £35,000) repayment mortgage is only 1½ percentage points. The equivalent differential at the Alliance Building Society is 2 percentage points.

To add to the general picture of inevitability, the pending realignment of the City of London's financial institutions promises some newcomers to the mortgage market. Already merchant bank Kleinwort Benson has announced the launch of a mortgage scheme geared to loans over £40,000.

William Carney

Beneficial loan interest

I have a repayment mortgage for £40,000 which was advanced in October 1982 at a concessional rate of 5 per cent.

Interest was added to the account on December 17 1982 in respect of the period from the advance to December 15 and again in June 1983 for the previous six months.

The Tax Inspector has elected to calculate the beneficial loan interest on the daily basis and has reduced the calculation only by reference to the interest charged on December 17 1982.

The 1975 Finance Act Schedule 5 Para 5 (2) seems to give relief where interest is paid late but the Inspector refuses to apply the interest paid in June 1983 so as to reduce the beneficial loan charge by the interest up to April 5 1983.

Is the Inspector acting correctly in this matter?

It is difficult to be dogmatic without having seen a copy of the loan agreement, but it seems pretty clear that the Inspector has misread paragraphs 5 and 7 of schedule 5. We suggest that you give notice of appeal to the Special Commissioners, in view of the complexity of the statutory provisions in dispute. You may like to come back to us, with precise facts and figures, if the inspector digs his toes in.

eligible for tax relief (subject to the usual restrictions). Ask your tax inspector for a copy of the free booklet IRI1 (Tax treatment of interest paid).

If you pay cash, the only indirect tax relief would be that the case would no longer be generating taxable income.

The cost of bonds

I have recently purchased for the first time U.S. Treasury Bonds. The contract note showed a separate charge for the interest already accrued, and I am not sure of the tax position with regard to this.

Do I (1) ignore the interest charge for capital gains purposes showing the net cost of the bonds only, and can I (2) deduct the amount of the accrued interest from the first interest payment I receive.

If the answer to (2) is yes should I declare for capital gains purposes any increase or decrease between the sterling equivalent paid for the accrued interest and the sterling equivalent when it is paid back in the first interest payment?

The total amount on the contract note is the cost of the bonds for CGT purposes. The interest adjustment is merely an element in calculating the actual price which you were asked to pay.

The interest payments which you receive will all be taxable in full.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

—preparing it for occupation. Would you please tell me if there is anything special to do or forms to fill in, in order properly to avoid liability to Capital Gains Tax?

You and your wife should immediately sign (and submit to your tax inspector) a joint notice, under section 101 (5) (a) of the Capital Gains Tax Act 1979, that your old home is your main residence, retrospectively. On the day on which you exchange contracts for the sale of your old home, you should sign and submit a joint notice that your new home be treated as your main residence with effect from two years beforehand. The solicitor acting for you in the sale will be able to guide you through the tax maze.

Unlock the money

I own a property worth £21,000 and my mortgage now stands at approximately £2,500 with 16 years to run. I do not want to move, but I would like to unlock some of this money, say about £3,000. Please could you tell me whether it might be possible to re-mortgage my property—I could afford to pay off my present mortgage—and, if so, how should I go about it. I still get tax relief (I pay tax at the standard rate) and what exactly is the difference between this type of loan and an ordinary mortgage?

No, you would not get tax relief, unless the extra money borrowed is to be spent for a qualifying purpose. Ask your

tax inspector for the free booklet IRI1 (Tax Treatment of Interest Paid).

If you want to increase your debt on the property, the first source of funds you could try is the present mortgage.

Modifying maintenance

Where education authority grants are given for full-time degree courses, the gross amount is intended to be sufficient for the student to support him or herself. The custodial parent is expected to contribute towards this by an amount dependent on income.

My present wife's three elder children have—to their credit—all managed to live on their grants. We have two more still to go!

In September 1981 my first wife obtained a maintenance order in favour of the youngest son of that marriage. The terms of this order (agreed between respective solicitors) required the maintenance (£78 per month) to be paid direct to the son (then 17 years old). In March 1982 I was made redundant and simply stopped paying the maintenance. My first wife is a partner in a firm of solicitors and quite well off. She is now applying for enforcement. The son is now at University and in receipt of a grant.

If I have to pay this maintenance to my son, either he will be receiving appreciably more money than the education authority regards as necessary, or the money will go to reducing his mother's contribution—in which case I would be supporting her.

Is there any precedent for successfully seeking revocation of a maintenance

order in such circumstances? If not, what is your opinion? Does the fact that he is no longer a minor have any bearing?

If the son is in full-time education, the maintenance order can be continued; and there would certainly be no basis for revoking the order simply because the child came of age. However, a sufficiently material change in your circumstances would justify an application to modify the order.

Annuity for a baby

I often read in your column about the possibility of making covenant payments to students in full-time education. I have a slightly different problem, and would welcome your advice.

My sister, who is over 21, is about to become an "unmarried mother." She will have no income other than social security payments. I would like to contribute towards her upkeep, and/or that of her child, in the most tax-efficient way possible. I am a high-rate taxpayer.

Can I do so by means of a covenant payment, and if so, would it be better in favour of my sister or the child? How would my sister's position vis-a-vis the social security be affected? What is the maximum amount(s) payable by this method? Are there any other tax-efficient ways in which I could assist?

You should explain to the solicitor who prepares the deed for you. His or her advice is likely to be that the annuity should be made payable direct to the baby.

There is little point in making the gross annuity much greater than your forecast of the basic personal allowance for 1983-86.

INTERIM PROFIT UP 20%

Six months ended	June 1984	June 1983	% Increase
	£'000	£'000	
Brokerage	1,475	1,011	46%
Profit before tax	604	503	20%
Earnings per share	13.16p	11.66p	13%
Dividend per share	2.35p	2.00p	17%

"I remain confident that we shall be able to surmount any difficulties that may arise and continue to develop and expand the business."

Derek Bryant
Chairman

DEREK BRYANT GROUP p.l.c.
39 Botolph Lane, London EC3R 8DE
And at Lloyd's

The comparative figures for the six months ended 30th June 1983 have been restated following the Group's adoption of a policy of selling United States dollars forward.

Buying for cash

The opportunity now presents itself, which allows us to buy the house we have lived in for 37 years. It has occurred to me that there could be an indirect tax relief, potential, of which I am unaware, in the cash method of purchase. Since this is a rather sensitive family arrangement, your comments would be very helpful and much appreciated.

If you borrow to buy the freehold, the interest should be

Changing homes

My wife and I are selling the property in which we have lived for many years and are moving to a smaller house which we purchased two years ago for this purpose. The second smaller house has not been let or used by anyone other than ourselves

Handwritten signature or note at the bottom of the page.

MOTORING

Astra shines bright



BY STUART MARSHALL

HAVING TOPPLED Ford from the top spot in the medium large sector of the British market with the Cavalier, Vauxhall is now set to dent the Escort's domination of the medium/small sector with the new Astra. Not only Ford will be worried by this latest flexing of General Motors Corporation's European muscles.

The Astra again Golf—as similar to the original VW Golf as the Astra is different from its angular predecessor—the Fiat Ritmo (Ritmo), Renault 9/11 and BL's Maestro all look vulnerable to the new Astra's sales appeal.

Although unveiled yesterday, the Astra will not be in the showrooms until October 17, on the eve of the Motor Show at the National Exhibition Centre, Birmingham. Prices have not been fixed, but Vauxhall's competitors must be anxiously speculating about them already.

There are two basic body styles (hatchback and estate car with three or five doors), four petrol engines and a diesel and five trim and equipment levels, making a 17 model line-up of 12 hatchbacks and five estates. The petrol engines range from a 55 horsepower 1.2 litre in the base model to a 115 bhp, fuel injected 1.8 litre in the GTE.

The styling is a nice blend of aerodynamic curves—especially the low drag factors are claimed—and enough of the old model's look to preserve a family continuity. The GTE raises the stakes still higher in the hot hatchback class with a 126 mph maximum and 0-62.5 mph (100 km/h) acceleration of nine seconds.

When Vauxhall invited me to drive the new models in Ireland a few weeks ago I couldn't get my hands on a GTE. I think it was just as well. The heavens opened and the rain poured down unrelentingly, blotting out the scenic beauty of Killarney. Driving a GTE in these circumstances would have been frustrating. In any case, there is a 55 mph limit in the Republic. From the state of the roads, it seems quite fast enough.

So I tried a 1600 5-door hatch and a diesel estate. The 1600 rode more softly and comfortably than the present Astra.

The new Vauxhall Astra GL 5-door hatchback. A resemblance to the former model, but this one is rounder and more aerodynamic.

handled nimbly on mountain roads and had lively acceleration. The 5-speed box (an extra on all but the GTE, which has a close-ratio 5-speeder as standard) had a slick, positive shift.

Fourth was low enough for a jerk-free 25-30 mph in town; second and third were much used in the hills; and there wasn't much opportunity to get into the fairly high economy fifth. The wipers dealt with the downpour; the fresh-air ventilation kept misting at bay; and the whole car felt an efficient, comfortable package, with good shoulder and elbow room, a nice driving position and excellent visibility.

I had thought at first that excessive tyre roar was reaching the interior but the road surfaces were so coarsely textured that only those steel gratings used to pave some suspension bridges can be more effective noise generators.

The diesel estate, with 55 bhp against the 1.6 hatchback's 90 bhp, felt robust rather than rapid though Vauxhall says it will do 95 mph against its predecessor's 89 mph. It rode quite firmly though not uncomfittably.

As a passenger, I appreciated the most generous front leg-room. It is a feature of all the new Astras, as are built-in anchor points for high capacity roof-racks, which are not always easy to fit to the new generation of cars lacking drip rails. The Astra estate's roof has been extended by five inches, making the tailgate almost vertical and boosting the bulk carrying capacity to 38.8 cu ft, easily the best in its class. A light delivery van based on the estate is more elegant looking than many a car.

It is far too early to be thinking about Car of the Year 1983 competition as several important new models have not yet been launched. Even so, I would bank on the Astra as being up among the leaders.

be a Rover" when it was bred to be a Honda and has been badged to be a Rover, the 213 Vanden Plas is really an agreeable medium/small four-door saloon.

The suspension isn't right, which makes for sloppy handling if you drive fast on winding roads, but the 12-valve engine is silky, the 5-speed gearbox delightful and the leather and wood veneered interior pleasing, especially at a £6,825 price. Not for the thruster, perhaps, but ideal for a Honda Accord owner wondering what to buy next.

Again, the Renault 25 doesn't turn on enthusiasts but it is well worth considering if you want a big car with excellent seats and a near silent motorway cruising rate.

The GTX automatic (£10,865 plus £515 for a stunning six-speaker hi-fi installation) is effortless, parkable and at over 25 mpg for a mix of London traffic and motorway, economical. Not a real threat to Mercedes or BMW, but very much an alternative to a Granada, Audi 100, Rover 2300 or Opel Senator.

It is one can disregard the enigmatic advertising copy which pretends that it was "bred to

PROPERTY

The incentives of summer

BY JUNE FIELD

ANXIOUS to clear their registers of stale stock, and start afresh for the autumn, many estate agents, particularly out of London, are persuading vendors to knock down their asking prices.

"Dramatic reductions" and "price reduced for quick sale" are phrases once more cropping up on agents' particulars.

(And one desperate plea in a Sunday newspaper by an owner went "£3,000 reward for introduction of a purchaser of my two-bedroom modern flat in the suburbs.")

How to spot the reductions? As estate agents rarely run off fresh details it is usually possible to decipher the old figure beneath any alteration, or sometimes it is merely a crossing-out.

An out-of-date rating assessment, that is for 1982/84 instead of 1984/85, indicates that a property was on the market at least before April this year.

So now is the time to search for end-of-season bargains, and make offers, particularly for a cash or funds-arranged transaction. Are you able to proceed? That's what an agent will demand.

In Somerset, in an acre on the outskirts of the pretty village of Donyatt, near Hainstone, a handsome country house built 1880, has been reduced from offers in the region of £120,000 to £95,000 for the freehold. For this you get a three bedroom, two bathroom owner's suite, plus two holiday letting units, a "granary" flat, covered swimming pool, orchard and paddock. Details: John Easton-Ferry, Fox and Sons, 22 Cathedral Yard, Exeter, EX1 1HJ.

Even in London, where there is still a good influx of foreign buyers, there are special offers in the top-price brackets. In Montpelier Square, Knightsbridge, a seven bedroom, three bathroom house with one room used as an office, another for staff, has just been marked down from £950,000 to £750,000 for the freehold. (The agent is Kensington High Street office).

The owner of Longwood, Chiswick Mall, W4, a six bedroom, three bathroom period house on the river, is including a five-acre site in the Mill Reef Club, Antigua, West Indies, as an incentive to buy. The hill-top site has plans for a two-bedroom boat house.

Offers in the region of £200,000 are being invited by Cluttons, Grosvenor Street, W1, and Sturgis' Chiswick office.

There is an even more unusual incentive on Gosmore Lane, in 8 acres near Hitchin, Herts; it comes complete with an independent survey, commissioned by the vendor, from Stimpson Eves. This is something fairly rare, but one of the many new ideas advocated as a way of speeding up the process of marketing a home.

Agent Julian Vivian, head of Howards of Howards in Welwyn Garden City, says the house is the sort of quality property that is a rarity in North Hertfordshire.

Devised in 1984 by local architect R de Winton Aldridge, as a replica of an early 18th-century farmhouse, it has reclaimed bricks and panelling from Ickford Manor, and a roof of old clay tiles.

The guide price is £275,000 to £300,000, the wide span indicative of today's uncertain price structure.

Not all housing stock is taking time to move though. Jeremy Carlson of Savills' Norwich office says that although Norfolk cottages in remote areas, usually bought for second homes, are difficult to dispose of, for a £25,000 quality house near Norwich the other week, there were a dozen buyers after it.

When stock gets sold, it needs replenishing. "The number of properties coming on the market is reducing," admits Harry Hill, partner in Abbots, 93 High Street, Wilton, Essex, with offices in Norfolk and Suffolk.

"After spectacular figures in the April-June quarter, a considerable increase in last year, sales have been suffering, particularly with the traditional August lull when so many people are on holiday." In the first six months of this year Abbots' 25 sales offices sold, subject to contract, £100,456,977-worth of property.

To encourage people to buy their home for the end of the month, Abbots has offered a chance to win a new cover 200 through a simple competition. William office sales manager Derek Brown says there is still time to enter, and that the scheme has brought in a considerable number of properties.

"It has spurred people on to



Lullingstone House, in 31 acres near Buntingford on the Derbyshire/Staffordshire borders, belongs to Robin German, joint senior partner in estate agents John German. The 7 bedroom, 3 bathroom home, once a Georgian vicarage, has a heated swimming pool, tennis court and an old stable block. The guide price is £175,000 through Charles Bailey, John German, 127 Mount Street, London, W.1 (01-499 7671).

get their homes ready for selling now, rather than wait for the autumn." He finds the demand is for well-maintained terraced houses in one of the Estuary villages, such as Tollerbury, where he has one for sale at £25,000, and well-maintained detached modern houses in Great Waltham, Messing and Wilton where there are some available at prices between £42,000 and £85,500.

For a competition entry form (if you are selling), a property guide (if you are buying), contact Derek Brown at Abbots.

Stylish in London

IF YOU can manage the stairs, then two smart studio flats on the top, fourth, floor at the newly converted 82 Onslow Gardens, London, SW7, are probably the most stylish in London. And good value at £39,950 each for a 64-year lease including a fully fitted kitchen, plus another £2,000 or so if you want the sofa bed and some of the Victorian furniture.

Up another flight you step onto a roof terrace, shared between the two, planned out by Francis Goffinet, landscape consultant who once worked at the Chelsea Physic Garden.

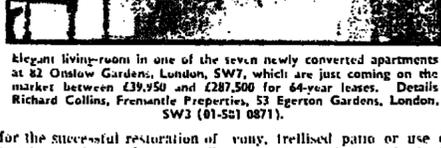
Through the chimney pots and flower boxes the tremendous view is across to the Victoria and Albert Museum and the Household Cavalry, Hyde Park Barracks, with the British Telecom Tower in the distance.

Richard Collins, Fremantle Properties, 53 Egerton Gardens, SW3, 101-381 0871, responsible

into the market for the first time, whether they are buying or selling.

At the clinics there are building society representatives and insurance brokers, plus a local authority as well as any local agent that uses one of the Property World agencies.

For a leaflet *The First Step* to Help You Plan, or details of future promotional dates, contact Alison Blackburn, Property World, Colony House, Spring Hill Lane, Huddersfield, West Yorkshire TD12 4JZ.



Elegant living-room in one of the seven newly converted apartments at 82 Onslow Gardens, London, SW7, which are just coming on the market between £39,950 and £87,500 for 64-year leases. Details: Richard Collins, Fremantle Properties, 53 Egerton Gardens, London, SW3 (01-521 0871).

for the successful restoration of two houses in nearby Cornwall Gardens, is the developer, with Peter Wood and Partners as architects.

At Onslow Gardens there are also grander two bedroom show flats just coming on to the market in the £155,000 bracket, where you get gracious living rooms with much of the original architectural detail, plus a balcony, trellised patio or use of the pretty gardens at the back.

The ground floor apartment with its fine drawing room and dining-room has an optional staff unit down below, which probably was the servant's quarters when Onslow Gardens was built in 1884 by Charles James Freake as part of Smith Clarity Estate.

Educational

Advertisement for Davies, Laing & Dick College, featuring a tradition of success and various courses.

Holidays and Travel

Advertisement for Geneva and Columbus cruises, offering holiday accommodation and travel services.

Cruises

Advertisement for P&O Cruises, featuring the Sea Princess cruise ship and routes to Australia and New Zealand.

Motor Cars

Advertisement for Motor Cars, offering personal imports and UK supplies, with a list of vehicles and prices.

Advertisement for NEW (B) REG. CARS AT SECOND HAND, listing various car models and prices.

Advertisement for U.K. SUPPLIES PERSONAL IMPORT, offering car imports and services.

Advertisement for C.P.S. LTD., offering car imports and services.

Advertisement for B.P. MOTORS (Wexford) LTD., offering car imports and services.

Advertisement for OPEL VAUXHALL, offering maximum discount import direct from dealer in Belgium.

Advertisement for MOTOR CAR ADVERTISING, appearing every Wednesday and Saturday.

Residential Property

Advertisement for SHEEPHATCH SCHOOL, offering residential property for sale.

Advertisement for KENSINGTON HILTON HOTEL, offering residential property for sale.

Advertisement for barnard marcus, offering residential property for sale.

Advertisement for COUNTRY HOUSES TO LET, offering various country houses for rental.

Advertisement for FISHER HOGGARTH, offering residential property for sale.

Advertisement for SWITZERLAND, offering residential property for sale.

Advertisement for NEAR MONTREUX, offering residential property for sale.

Advertisement for Strutt & Parker, offering residential property for sale.

Advertisement for LYONS FARM, CHARMANDEAN LANE, WORTHING, offering residential property for sale.

Advertisement for AMERICAN EXECUTIVES, offering residential property for sale.

Advertisement for PORTUGAL - ALGARVE, offering residential property for sale.

Advertisement for LEGAL NOTICE, offering legal services.

Advertisement for SWITZERLAND, offering residential property for sale.

Advertisement for NEAR MONTREUX, offering residential property for sale.

Advertisement for JOHN D WOOD, offering residential property for sale.

Advertisement for ENGLAND, offering residential property for sale.

Advertisement for SWOFFER READ & PARTNERS, offering legal services.

Advertisement for Personal, offering personal services.

Advertisement for Art Galleries, offering art services.

BOOKS

Maigret's master

BY PETER QUENELL

Intimate Memoirs: Including Marie-Jo's Book by Georges Simenon, translated by Harold J. Salemson. Hamish Hamilton, £14.95, 315 pages

Georges Simenon has by now published more books than any other novelist of the same standing. They are extremely various. Besides his celebrated *Maigret* series, he has written many admirable tales that have little to do with detection or crime but portray a single episode and character. Among his chief virtues are his constructive skill, his cunning brevity and his total lack of false sentiment. He is fascinated by the spectacle of human life and enjoys reporting what he sees, but very seldom wastes an adjective.

Few of these virtues, alas, appear in his *Intimate Memoirs*, an autobiographical discussion prepared for his children's benefit, which runs to over 300 particularly large pages, is neither concise nor very well put together, and includes long expanses of not very illuminating dialogue that, had he been at work on a new novel, he would certainly have cut down. It is charged, moreover, with disturbing personal emotions—deep regret for an only daughter he lost, and fierce resentment against his second wife, that daughter's mother, whose memory continues to enrage him.

His narrative takes the form of messages, the earliest being addressed to "my tiny little girl" Marie-Jo, the lovable afflicted child, who after years of neurotic anguish committed suicide in 1978. She, too, had hoped to become an artist, and

left him the letters they had exchanged, her childish compositions, her diaries, notes to herself, and "disquieting poems," some of which he has, perhaps unwisely, printed. Having studied them, he says, he understood her "desire that these records of your radiant existence, your dark hours and your struggles, should not disappear. I told you one day... that a being is not completely dead so long as he remains alive in the heart of another. And you are still within me..."

Intimate Memoirs, therefore, is partly a lament for Marie-Jo, partly an autobiographical sketch, which chronicles his impoverished youth, tentative literary beginnings and subsequent travels round the world, but elsewhere a ferociously honest account of how he met and wooed and married his second wife, here called simply "D," to whom he evidently attributes the worst of poor Marie-Jo's misfortunes. Against D, he builds up a lengthy case. She drank too much, was bossy and possessive, and—yet more unforgivable—did her best to assume permanent control of his professional and financial affairs. As a parent, he believes, she was deplorably misguided: "I know that your mother," he informs the dead girl, "while she still had a hold on you, went to your room at night and talked to you until very late. And on those evenings she had already spent a lot of time in the office and was never without a load of liquor."

Simenon's matrimonial complaints provide some uncomfortably vivid and often scandalously amusing chapters. The strong passion that had some-

how "changed his life," and had led to his divorce from Tigy, the charming companion of his youth, slowly degenerated into hatred which was very soon returned. D declared that she meant to "smash his pen," and, on the fly-leaf of this book, he apologises for "certain cuts... which, by order of the President of the Court of Justice, were dated on the demand of Madame Simenon-Ouilmet." That a good many other passages have escaped her censorship is, to say the least of it, surprising.

Intimate Memoirs is not a book for the squeamish or the over-sensitive. But, although D's alleged misdeeds and the author's own anatomy adventures are described in picturesque detail, it is also a record of domestic love. The author adores his sons, products of his earlier marriage, who have clearly done him credit, and protected and cherished his pitiful, helpless daughter, whom he loved but could not save. Marie-Jo was pursued through life by a succession of mysterious neuroses, the most destructive being an oppressive sense of anxiety that, since she was 13 years old, she could never wholly shake off, and which became so familiar that she named it "Madame Anxiety." "She got her health by taking mine from me," Marie-Jo wrote. "As she grows, she fills all the room, then she spreads over the walls, where... she suffocates me..."

Considerable stretches of Simenon's strange new book are divided between his devotion to his lost angel and the detestation that he feels for the



Georges Simenon: rage and regret

demonic D. But, from a reader's point of view, probably of some what more lasting interest are his references to his work and his peculiar creative methods. About them, he tells his sons, whom he constantly apostrophises, a legend had sprung up that was largely based on fact. When he began a new novel, he did indeed write two or three lines in pencil that launched his opening paragraph next day; but, after that, he employed a typewriter, as he had discovered that, if he wrote by hand, he was inclined to adorn his phrases, to "make them literary," which goes against my tastes.

Simenon today is 81, has recently, we learn, undergone a

Fiction

Lions and tigers

BY NICHOLAS BEST

Ardabiola by Yevgeny Yevtushenko, translated by Armorer Wasson. Granada, £3.95, 123 pages.

Lion Rampant by Bernard Shrimmsley, Weidenfeld and Nicolson, £3.95, 249 pages.

Set a Thief by Martin Page, Bodley Head, £7.95, 190 pages.

Separate Checks by Marianne Wiggins. Harvill Press, £3.95, 271 pages.

On a dark night in Russia, a self-styled genius—Ardabiola, who believes that his miracle invention *Ardabiola* will cure cancer—is mugged. His attackers are three young street philosophers, one of them wearing a crucifix, who want nothing from him except his smart Western jeans. They knock him senseless and leave him for dead. The jeans turn out to be from Yugoslavia.

His father dies of cancer, his wife leaves him—not altogether surprisingly, since he prefers to spend his time with a laboratory rat. After the knock on the head he denies that he ever had a rat and ignores the plant that did indeed write two or three lines in pencil that launched his opening paragraph next day; but, after that, he employed a typewriter, as he had discovered that, if he wrote by hand, he was inclined to adorn his phrases, to "make them literary," which goes against my tastes.

There is symbolism here, though not all of it is as clear as it might be. Yevgeny Yevtushenko is the Soviet Union's most distinguished living poet, a vividly imaginative writer, master of words in his chosen medium. As a novelist he is less happy. *Ardabiola* is a fable of a kind, an odd, not very profound book, interesting for what it has to say about everyday life in Russia, but unlikely to do much for the author's reputation.

Bernard Shrimmsley's *Lion Rampant* holds out the promise of "last, ambitious, treasury" common enough in Fleet Street—where the author has spent his life—but here transposed to the equally insalubrious court.

There is a touch of *The Da Vinci Code* in it, insofar as he is a hero, is Adam Worth, a genuine historical figure, an American Jew from Lithuania who stole from the English upper classes and became the model for A. E. Hornung's *Raffles*. He is financed by J. P. Morgan, angered at the French Government's refusal to sell him the painting in question, opposed by Louis Lepine, prefect of police in Paris and one of the first to employ the art of psychology in detective work.

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Yevgeny Yevtushenko

of King James I. To the known facts about the king's eldest son, Henry, Prince of Wales, he has grafted a story of romance and intrigue, a historical bodice ripper, in the finest traditions of Page Three.

How did Henry die? Of typhoid perhaps, though the evidence is sketchy. Or was he a menace to the country, a Catholic-baller and enemy of Spain, better got rid of before he came to the throne, before at any rate he made a fool of himself with Frances, Countess of Essex? Frances—she of the cornflower blue eyes and virginity unsullied by her feeble husband, son of Elizabeth's Essex—looks good in a bodice, even better out of it. She is out of it pretty often with Prince Hal.

A nice girl, but hardly fit to be Queen. Better perhaps to divorce her from Essex and marry her off to Lord Rochester, leaving Hal free to marry some useful foreign princess, if he will only agree. Bernard Shrimmsley's style is mildly florid, but he has done some excellent detective work and comes up with a solution to fit the facts that seems as plausible—and readable—as any.

Martin Page, also from Fleet Street, has had the same idea of employing established historical facts as the basis for a detective story. His *Set a Thief* is a caper novel about the theft of the Mona Lisa, stolen in 1911 and missing for two years until an Italian named Perugia took a solution to fit the facts that seems as plausible—and readable—as any.

There is symbolism here, though not all of it is as clear as it might be. Yevgeny Yevtushenko is the Soviet Union's most distinguished living poet, a vividly imaginative writer, master of words in his chosen medium. As a novelist he is less happy. *Ardabiola* is a fable of a kind, an odd, not very profound book, interesting for what it has to say about everyday life in Russia, but unlikely to do much for the author's reputation.

Bernard Shrimmsley's *Lion Rampant* holds out the promise of "last, ambitious, treasury" common enough in Fleet Street—where the author has spent his life—but here transposed to the equally insalubrious court.

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The heritage of Christianity

BY A. L. ROWSE

Christian England by D. L. Edwards. Collins, Vol. 1 (paperback) £2.95, Vols. 2 and 3, £12.95 each.

In the last three years Provost David Edwards has completed his survey of Christianity and churches in England from the beginning to the first German war. It is a remarkable achievement, and he has the right qualifications to accomplish so prodigious a

task. He is an excellent historian, his scholarship is reliable — one can't catch him out, *everybody* is in his book; he is above all sympathetic, broad-minded and sensible. This is essential, for in these volumes he is dealing not only with the English Church but with the sects clustering round.

His first volume dealt with Catholic England up to the Reformation; it has already had a favourable reception and been adequately noticed. Of the

new volumes the second runs from the Reformation to the 18th Century, the third thence to the sinister dates 1914-1918.

The two great crises in the story are the Reformation and the Puritan Revolution. A non-sectarian historian, looking at the first objectively, may well be surprised at how much of traditional Catholic Christianity survived in the Church of England. Protestants fiercely attacked what they regarded as superfluous dogmas and doc-

trines, but the Church retained a Catholic hierarchical structure. Hence — and here is a sociological point — its Catholic structure eventually led to the renewal of Catholicity in doctrine.

Moreover, it should be said that the Church of England carried the character of the English people more broadly than any of the religious bodies, left or right, could do.

This is what emerged from the upheaval of the Puritan

Revolution. England simply could not be run on the basis of any of the quarrelling sects. Before Oliver Cromwell died, his brother-in-law, John Wilkins — to whom we mainly owe the foundation of the Royal Society — told the Protector that religion could not be run in England without bishops.

My one criticism here is that justice is hardly done to Archbishop Laud. Provost Edwards may not realise what utterly uncompromising and envenomed types that poor leader of the Church was struggling against. Or perhaps, since

HOW TO SPEND IT

by Lucia van der Post



Head Lines

IN THIS hottest of summers, one of the most instant ways of giving your head and hair a lift, is to wrap a length of cloth around it. Not only does it protect your hair from sun and wind (notorious enemies of the shiny, silky locks) but it immediately says summer 1984 in a way that is fresh and up-to-the-minute.

A trip down any fashionable High Street will give you a hundred and one ideas of how to do it. The young are wearing them in the most dramatic of ways—huge pussy-cat bows, or wild lengths of fabric tied almost washer-woman style, set off with large, dramatic earrings. Even if it's worn with last year's jeans or jump-suit, the whole outfit is given a new lease of life. Dowdy camouflage gear is given a lift by using bright, fluorescent colours, often matched with socks and belt.

For those who are able to carry off the strongest look of all there are wide lengths of fabric (usually sporting ethnic prints and sometimes beads and jewellery as well) wrapped tribal-style around the head.

If you're no longer so young, being more "d'un certain age," then a little more sophistication, not to say elegance, is called for and you are best to look for the ready-made bandeaux or to buy

finer materials, like silk or chiffon, and twist them into bandeaux of your own. Keep the colours neutral, black or cream being best. You can vary the size from fairly narrow to quite wide, which gives an almost Lana Turner turban-like effect.

You can, of course, use any piece of material that you happen to like or that goes with the clothes you are wearing, but bear in mind that in these hot, sticky days, natural materials will seem cooler. You will have to experiment with ways of tying and see which suits you best—thin, wide, total cover-up or narrow band.

Many shops are now beginning to sell a range of ready-made wraps, bandeaux and other hair accessories. For evening there are little narrow bands with net bows attached to them or elegant silk bandeaux with neat little top-knots.

All the signs are that the head-wrap is going to go on being one of the major looks this winter. Already the shops are filling up with plaited and twisted lengths of wool, with sophisticated open turbans, with all manners of bits of fabric which can be tied in as many different ways. Shown here are just some of the ready-made wraps currently in the shops.



● Wide, dramatically-striped wrap-around, with ends finished by threading and multi-coloured beadwork. The perfect holiday headwrap. It will shield hair from sun and wind and cover limp and ragged ends elegantly. But you should experiment a bit first to get the hang of tying it up properly. £5.95 from branches of Hainsworth shops.

● A sophisticated silk hair-band, given stiffness and bulk by stuffing, the ends are left free enabling you to tie them in a bow at the top (or the back) or to tuck them neatly under the bandeau itself. In a wide choice of colours (pale blue, pale yellow etc) they are £8 each (p+p 65p) from Molton Brown, 58 South Molton Street, London W1.

● A hand-made, exclusive head-band with a tribal air. Made from hand-painted African chintzes, in blues, browns, beige and purples. By Charlotte V. Baker, £22, it can be bought only from her, either from The Most Exclusive Store in the World, 21 Ladbroke Grove, London SW1 (tel 01-433 0253) or from Fayles, Charing Cross Road, London, WC2.

● Here our artist has shown us just what can be done with a length of fabric—in this case some dashing leopard-spotted "chiffon"-type material, in blacks, greys and greys. At the knock-out price of £2.99 a length, all these pieces of fabric have neat edges and make splendid hair-ties or scarves. Find a large variety at Chelsea Girl shops.

● Liberty of Regent Street also has a big collection of bandeaux—silk ones for evening, towelling ones for a more sporty air or for protecting your hair while putting on or taking off your make-up and then a selection of bandeaux made from bath fabrics, like the version sketched above. Slightly stuffed to give firmness, the ends tie either on top, at the side or at the back. £5.50 each.

● Harvey Nichols of Knightsbridge, London, SW1, probably has the largest selection of bandeaux and hair-hands for evening. Sketched here is a bright blue net bow fixed onto an old-fashioned Alice band. £7.95 (p+p 65p). There is also a big collection of satin bows on matching satin-covered Alice bands, as well as giant cotton bandeaux.

Nordic delights

IF YOU think of things Scandinavian as being spare and minimal, unadorned and austere, then a visit to Line of Scandinavia, a new shop specialising in (you've guessed it) all things Nordic, will be an eye-opener. The shop is relatively new, is to be found at 91, Regent Street, London, W1 and for the moment it has concentrated on innovative, hand-made, often hand-painted, glassware.

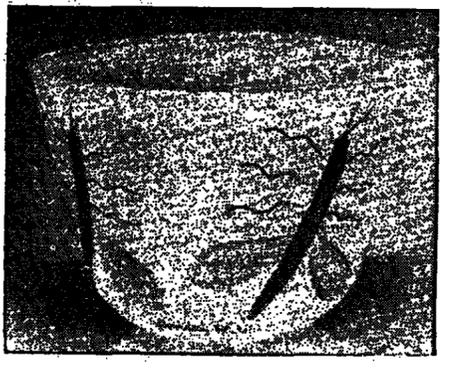
Though the hand-painted glass dish photographed below is one of the more expensive, decorative items, there is also plenty of glassware that is meant to be used every day. There are hand-made table glasses at around £7 each. Later on there will be a selection of inexpensive glass from Finland's famous Iittala factory. But for the moment go there to see

some lusciously pretty glassware, much of it from Sweden's leading glassware manufacturer, Kosta Boda.

Go there, too, for cutlery and china, as well as for coordinated collections of cooking and tableware. Later on there will be a gallery downstairs where those who are interested will be able to see and buy Scandinavian art of all sorts—sculptures, paintings and weaving, or whatever else captures the interest of Margareta Lillieskold and Nils Eriksson, who are behind the new shop.

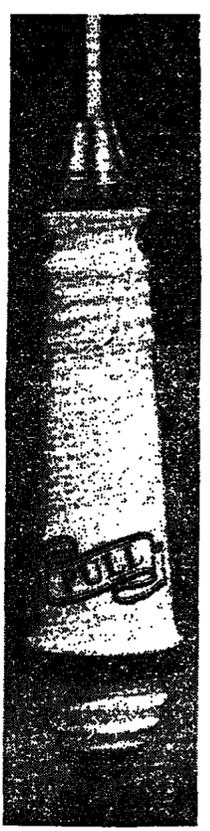
As to the glass bowl in the photograph, it is 13 cms (about 5 ins) high, 18 cms (about 7 ins) in diameter and it costs £54. Brilliant butterflies in blue, green and red are painted on an opal white background.

Anybody interested in buying by mail should address their inquiries to the shop.



Pull with style

IT'S THE little details that count. Instead of those tacky little plastic knobs that are usually to be found at the end of most lightcords, The Topstock Company makes porcelain and brass lightpulls that are not only delightful to look at but good to hold and... to pull. They are all copies, of course, of the original Victorian cistern "Loo-Pull" but unless you come upon a cache of the originals in some junk-shop or auction sale, The Topstock versions are the next best thing. They sell at about £7.95 and can be found in a wide variety of shops from Knobs & Knockers, "Way-in-Living" at Harrods and Covent Garden General Store in London to James Rossiter of Bath, out of London. Readers who aren't near any of these shops may buy them by mail order at £7.95 each from The Topstock Company, 64, Westville Road, Thames Ditton, Surrey KT7 0UJ. Delivery normally takes between five and seven days.



FANS (and there are many) of Vidal Sassoon's range of hair products will be delighted to know that there is now a styling gel in the range. Styling gels have become part and parcel of many people's hair routines, inducing as they do, hitherto recalcitrant hair to do all manner of obliging things. The Vidal Sassoon version (curiously called "Extra-Hold Styling Gelle") smells uncommonly good (very fresh and clean) and really isn't sticky at all. It is available now at most Vidal Sassoon stockists. It costs £1.60 for a 120 gram tube.

Say it with mugs

MANY READERS may already know of Gold & Fox, whose bold and dramatic ceramic designs have been featured on this page from time to time. For those who want to give a special present for very little outlay, what could be more special than a mug embellished with your very own message? Gold & Fox have been offering this service at their Covent Garden stall for some time but now they have decided to expand it by offering to take orders by post.

The mugs are initially decorated in three different patterns—you can see them, sketched below right (balloons is bottom left, the daisy pattern is bottom right, whilst perched on top is the pattern they call Festival). Each mug can be ordered in any of those patterns and the message can then be painted on to order. The basic cost is £2.50 (plus £1 for postage and packing) and this includes 10 letters or numbers free, as are the words "Happy Birthday." All other letters or numbers are 3p each.

To order a mug write to Gold & Fox, Unit 207, 16 Brune Street, Spitalfields, London E1 7NJ, for the order form. Remember that orders usually take two weeks but you should allow 28 days to be really safe.

If on the other hand you would prefer to do your own embellishing of mugs or any other ceramics, well now you can. Artemis have just started importing into this country a range of craft paints by Pebeo, among which are some ceramic paints. A particularly good idea is to give to children (who can then quite inexpensively turn out handsome, personalised



present), the paints come in a big range of colour in either 45 ml or 250 ml bottles (£1.30 and £4.23).

Designs should first be marked on the mug with a chinagraph pencil so that mistakes can be easily wiped off. Paint in the whole design when you are satisfied. Once the design is dry, the mug should be "baked" in an ordinary domestic oven set at 150 deg C and this sets the paint permanently so that it even withstands dishwashers. Just some of the suggested designs are shown photographed top right.

If you or your children get carried away by all this painting, there is no need to stop—you can go on to let your creative impulse wander over fabrics, glass, Perspex or metal. The whole Pebeo range is going into leading craft shops now but if you have any difficulty you can buy them direct from: Artemis, A. West & Partners, 69, Mitcham Road, Croydon CR9 2AE. A full price list including all post and packing charges, will be sent on request.

● Above: mugs to paint yourself, just use any of the many paints in the new Pebeo range of ceramic paints and you can produce your own personally embellished mug. Below, these are mugs with a message. Gold & Fox will decorate any of their patterned mugs with words of your own choice, whether "Happy Birthday" or "Get Lost," depending upon mood and moment.

Cookery/Julie Hamilton

First catch your salmon

THERE IS nothing like going to the source to learn the facts. I have just returned from Alaska, where I stayed at Yes Bay Lodge and fished for salmon. I have never been fishing before, so imagine my surprise when I caught "the limit," which was six per day. The halibut eluded my hooks, in favour of horrible sharks, four of them, reeled up from 500 ft of water and put back at once.

I also caught a big red rock fish, the ugliest thing I have ever seen. I swear it came up roaring and growling at me but I am told it is delicious to eat. We shall see. It sits in my freezer right now along with six salmon, some filleted, some whole and some hot-smoked—you could say kippered.

While in Alaska I learned a very useful tip about freezing fish. Place the fish unwrapped on a piece of greaseproof paper on a baking tray and freeze it fast and thoroughly. Then glaze it by mixing a tablespoon each of salt and sugar, or syrup or glucose, with approximately three pints of cold water and dipping the frozen fish in and out of it twice, thus forming an ice glaze all over the fish which will thoroughly protect it from freezer burn and the air, giving it a much longer freezer life without deterioration.

Wrap the fish in foil or paper and replace in the freezer until needed. The salt and sugar are added to the water only to give some elasticity when frozen so that the fish is less likely to

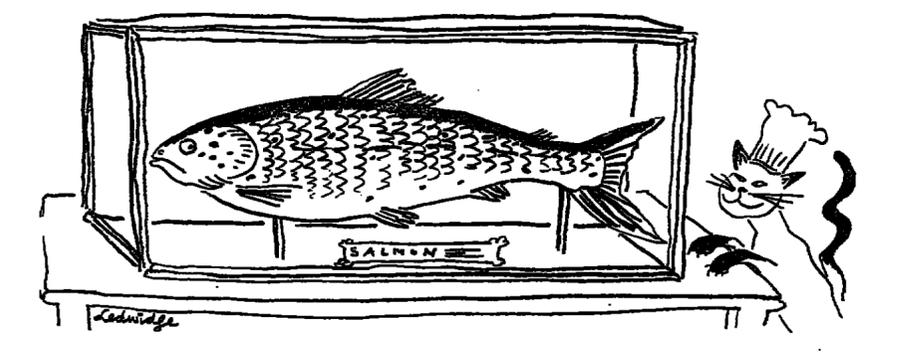
crack. They are not absolutely essential. What is essential is that any frozen fish is thawed very slowly in the refrigerator.

It is an interesting fact that the nutritional values of fresh, frozen and canned are similar. The fats are predominantly unsaturated, and there seems to be evidence that unsaturated fats are helpful in avoiding artery diseases. Vitamins A, D, E8 and B12, as well as calcium and iron and other valuable nutrients are all present in salmon in all its forms.

Richard Sax, a cookery writer and teacher from New York, was also fishing for his "limit" at Yes Bay Lodge in the Misty Fjords. He created this recipe for Devilled Salmon Cakes. It is based on the traditional American crab cakes, and perhaps it includes a few ingredients we are being advised to avoid; nevertheless these fish cakes are so delicious that I have to pass on the recipe.

DEVILLED SALMON CAKES (serves four to six)

1 can (15½ oz size) salmon (if you are sensitive on the subject of the Canadian fishing industry, John West and Princeps salmon have USA embossed on the top of the tin to identify Alaskan salmon); 1 oz unsalted butter, plus a little more if needed; 4 oz finely chopped onion; 6 oz finely chopped celery; 2 oz fresh breadcrumbs; 2 fl oz mayonnaise; Juice of 1 lemon; 1 egg lightly beaten; 1 heaped teaspoon mustard powder; approx 3 tablespoons chopped fresh dill (2 teaspoons dried



if you really cannot find fresh); salt and pepper; flour for dusting; 1 tablespoon oil.

Drain the salmon thoroughly, then flake it into large pieces. (Break up the skin and bone and include it if you like. It all adds flavour and nutrition.)

Sauté the onion and celery in half the butter over a medium heat until translucent. Allow to cool. Combine together the egg, dill, mayonnaise, mustard and half the lemon juice. Season with salt and freshly ground black pepper. Mix this mixture together with the sautéed onion and celery, breadcrumbs and salmon, stirring very gently so as not to break up the salmon too much. The mixture should be quite moist. Cover it and chill for at least one hour.

Form fish cakes and dust with flour. Heat the oil and remaining butter and fry them over a medium heat, shaking the pan from time to time to

prevent sticking, until golden on both sides (approximately four minutes). Serve with a few drops of lemon squeezed over. If you like, offer your cream into which you have stirred fresh chopped dill—it is very American that way.

Another tip I was given was how to gauge cooking time for salmon—ten minutes per inch of thickness measured at the thickest part. That goes for steaming, poaching, baking at gas mark 8 (450F) and grilling.

I have a small fish smoker, the kind you can buy at angling shops anywhere. I have smoked both salmon and halibut (not caught by me alas, but from Alaska) and eaten it cold in a number of ways. I really do recommend a smoker if you enjoy fish. It can easily be used indoors by an open window, it is no larger than a biscuit tin and so simple that it could be called primitive cooking. All you need are salt

and a few dried herbs to mix with the sawdust which is provided with the smoke-box.

Simply take the fish—say a thick chunk of filleted salmon or a halibut steak—rub it well with salt and a little brown sugar, cover with a plate and refrigerate for the morning or overnight, or at the least for two hours. Then place it in the smoke-box, following the instructions, add some dried rosemary needles to the sawdust if smoking the halibut, dried fennel for the salmon. Allow the fish to cool in the box, then chill. To serve, slice in strips across the grain (like cutting bread, not how you would cut cold smoked salmon) and offer a mild mayonnaise mixed with yogurt and flavoured with a little garlic and French mustard. A mixture of the two fish makes a delicious starter. Whole salmon or halibut steaks served hot from the smoker are

also quite irresistible.

Another way of treating salmon is to pickle it. I have evolved a very simple, basic method of doing this. Take a small salmon, have it completely filleted and rub it on all surfaces with the following mixture: 3 tablespoons soft brown sugar; 3 tablespoons sea salt; juice and grated rind of one large lime; heaped teaspoon of fresh coarsely ground Jamaican pepper (Bart spices to be found in Sainsburys and Waitrose).

Place the fish, cut side to cut side, in a dish, cover it with foil, press it down with a brick and refrigerate. Turn the fish once a day for two days, or up to five if you like. To serve, briefly rinse under the cold tap and pat dry, then slice paper thin like smoked salmon and serve with a slice of lime and hot brown rolls. Since returning from Alaska I have created a dish using

salmon to commemorate my visit, as well as courgettes, whose abundance in my garden welcomes me home! I shall simply call it...

LOVE ALASKA (serves 4)

12 oz penne (pasta quills); 1 lb courgettes, large ones are best; 1 lb salmon cured as above, or home hot-smoked, or even canned; 1 oz unsalted butter; 1 tablespoon olive oil; 1 tablespoon lemon juice; some fresh dill, or a small sprig of coriander; salt and pepper to taste.

Slice the salmon, then cut it into pieces the size of postage stamps. Cut the courgettes in half lengthways, remove the seed pulp, if desirable, with a teaspoon and coarsely grate or shred it. Cook the penne in plenty of fast boiling water.

Heat the butter and oil together in a large pan or flame-proof dish—a wok is ideal—and quickly fry the salmon. Then add the grated courgettes, do little more than stir them enough to coat with the fat over a fierce heat, tip in the cooked and thoroughly drained pasta and the chopped dill or coriander and mix well, adding the lemon juice and seasoning to taste. Serve hot, tepid or even cold.

The use of either of the herbs alters the flavour quite considerably and is very much a matter of personal taste; fresh coriander leaves have a distinctive flavour which can all too easily dominate a dish and, in fact, ruin it. So use the herb with great discretion.

P.S. Should anyone be interested in salmon and halibut fishing, I can strongly recommend Yes Bay Lodge where everything you need is provided, including comfort as well as fishing gear to wear, tackle, bait, boat, wonderful young guides and terrific atmosphere. You have to get yourself to Ketchikan airport in Alaska, where you will be met by the pilot of a private lodge plane and down to the lodge which stands quite alone, hidden in an inlet of the Behm canal, 50 miles to the north-west (of Ketchikan), and surrounded by forest and water abounding with eagles, bears (although I did not see any) and millions of fish.

The fishing season is from April 15 to November 1. For further information write to: The Hack Family, Yes Bay Lodge, Alaska 99859. Phone via marine operator through Juneau Alaska to Yes Bay Lodge, call letters KOJ89.

P.S. and it's sent with care!

Dear Mum and Dad We were very sorry to miss the celebration, but we've arranged to send you something special so that you can have your own presence. I know you'll love the selection we have made for you, because every Hammer People gift is quality, fresh and, well, Hammer People continues in the UK, of course, and their service is first-class.

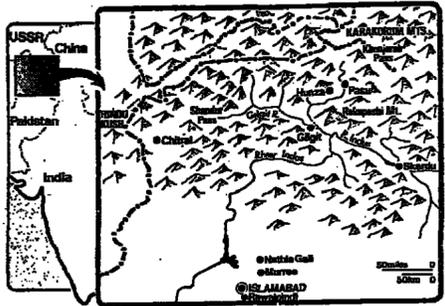
All our love, Bob & Rita XXX

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LEISURE

John Elliott on a 2,250-mile trip by jeep in Pakistan Bumping through Shangri-La

TRIBAL WOMEN performing pagan dances in a moonlit forest clearing, illicit local alcoholic brews, and stories of fairies storming houses with rocks...



Back in Gilgit we went eastwards near the Russian and Afghan borders and the Hindu Kush mountains, crossing the Hindu Raj range at 12,500 feet.

Down from the pass — called — Shandur we went through hairpin bends on an unmade road so narrow that passengers often have to get out and walk in case their jeep slips off the edge.

Chewing our way through three weeks of seemingly endless and often tough helpings of chicken-roast and chicken-Pakistani-style (either a remarkably widespread and consistent skill at cooking delicious egg custard and cream caramel).

But we also discovered two legacies apparently from the days of the Raj. One was a remarkably widespread and consistent skill at cooking delicious egg custard and cream caramel.

Essential reading for the area is the excellent A Travellers Guide to Pakistan by Hilary Adamson and Isobel Shaw, who used to live in Islamabad.

Slightly more academic in a PhD thesis style, but an absorbing introduction to the land and people, is Words for my Brother Muslim community and the Hindu Kush and the Himalayas by John Staley (Oxford University Press, Karachi).

Our holiday was organised as a package by the Pakistan Tourist Development Corporation, which runs jeeps, treks and basic motels and rest houses in the northern areas.

Originally called Dardistan — the land of the Dard tribes — this is the world of "The Great Game" and international intrigue, of Rudyard Kipling's "Kim" and the Shangri-La of James Hilton's Lost Horizon.

The drive up a steep gorge into the remote northern valley of Hunza, an independent kingdom till 1974, and through a gateway of two massive rocks into a second Hunza Valley called Gulmit, vividly recalls scenes from Lost Horizon.

Preparations are under way to open this as a new tourist road in two or three years into China, running along what since the 2nd century BC has been known as the Silk Route.

But tourists cannot yet travel without special central-government permits the last 85 miles to the Chinese border at the 16,000 ft Kunjrab pass through the Karakoram mountains.

A visit to the villages of Gilgit and Zaski in the green and yellow valley of Hunza, surrounded by glaciers and the Karakoram mountains, was one of the highlights of a three-week family holiday I have just completed with my wife and three sons (ages 4, 11 and 12).

We travelled 2,250 miles by jeep, often at no more than 10 miles an hour, through a never-ending range of high mountains, glaciers, rushing rivers and steep unmade mountain roads. Even a short wheel

base jeep had to do three-point and sometimes five-point turns on steep hairpin bends with thousands feet falls down sheer mountain sides only a few inches from the jeep's wheels.

It is an area where it is not unusual to be two or three days late, where a daily hassle of some sort is almost inevitable, and where no alcohol is publicly sold.

We did over 90 jeep hours in temperatures up to more than 100 degrees F (relieved in the mountains by cool nights and in the south by monsoon rain). It was interrupted by avalanches destroying rough mountain roads across boulder-strewn rivers. And by other people's jeeps stalled in river crossings.

We started our holiday with an hour's Pakistan International Airlines flight from Islamabad to Skardu by Fokker Friendship which flies (clouds permitting) along the winding Indus and Gilgit rivers below the surrounding mountain peaks and past the enormous Nanga Parbat mountain. At 26,680 ft, Nanga Parbat is just smaller than the nearby 28,250 ft K2, the second highest mountain in the world.

Skardu is the small capital of the 7,500 ft Baltistan area. It consists of a long dusty bazaar (with a bakers that sells excellent macarons) at one end of a great flat oval valley where the Indus slowly winds its way through a white desert.

We stayed in the northern area's only modern resort, owned by a retired local brigadier on a small lake euphemistically called Shangri-La.

It was more pleasantly and efficiently run than most of the area's Government-owned tourist accommodation, but has over-gilded its image with brash advertising that wrongly makes it sound, as it is called, "Heaven on earth."

From Skardu we bumped our way by jeep for eight hours to Gilgit along narrow Indus gorges and the smoother Karakoram highway, past gaunt desolate grey-brown and sometimes almost black mountains.

From Gilgit we went on a four-hour journey round the 25,550 ft Rakaposhi Mountain to Hunza, home of an illicit alcoholic spirit called Hunza Water.

We were often invited into people's stout stone houses, in Hunza, by women who wear little brightly embroidered bonnets. Hunza is a centre of Pakistan's Ismaili minority Muslim community and the women do not follow the strict Muslim codes of covering their heads or faces and turning away from strangers.

Here we were told by a member of an old ruling family how he had believed in fairies ever since his father's house had been attacked by flying stones from four directions for seven days till, on the advice of a local fairy expert called a Shoman, a bullock was led round the house and sacrificed.

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Beware of Russians bearing gifts

"DID YOU get beaten up by the Russians?" asked a friend on my return from holiday with my wife in the Soviet Union. This was a reference to the incident in which an American tourist had, allegedly, been beaten up and left unconscious in a Lenin-grad basement.

We were only once mistaken for Americans ourselves, but this was our own fault for dining on caviare and champagne on the top floor of an hotel in Tbilisi, the capital of the Soviet Republic of Georgia.

A half-sober Soviet soldier leered angrily at us and launched into an angry tirade in "our country, America."

"I told him that we were harmless little English people, and in an attempt to pacify, offered a packet of American cigarettes. The soldier chose not to make a comment about such a symbol of U.S. power but beamed, proclaiming "I may be a military man, but my quarrel is not with England."

question. "The best people get the best food," she replied tartly.

Any tourist, regardless of nationality is liable to be pestered by black marketeers offering very favourable currency deals. If you are English you will be offered 2.5 roubles per pound by the spivs, and that rate is as true in Azerbaijan as it is in Moscow.

One final warning. All cars in the USSR are the same model unless you are a Government official. All taxis are yellow. But it does not follow that all yellow cars are taxis.

In Baku, capital of the trans-Caucasian republic of Azerbaijan, I hailed a stationary yellow car. The driver who of course spoke no English refused to see reason. But experience with London taxi drivers has hardened me. "Me Western tourist. You Azerbaijani taxi driver. You take me to the Caravan restaurant pronto."

Eventually he agreed, and we drove off at a speed to make an Italian blush. At the destination I offered some roubles. Offence was taken. As I said, not all yellow cars in the USSR are taxis.

Evans started digging at Knossos, a couple of miles outside Iraklion, in March 1900. He is clear in his first report that he was finding a palace, and he managed to uncover about two acres that year. But was it really a palace as Evans called it?

For him the size of the ruins and grandeur of the finds made it beyond doubt. He had found storerooms, boards of clay tablets with signs and figures, frescoes and the Throne Room. "Palace" has stuck. Today we have them in Crete at Knossos, Phaistos (on an acropolis, or citadel, overlooking the Mesara plain in south Crete), Mallia (between Iraklion and Ayios Nikolaos on the north coast) and at Zakro (in the far east). There is probably one to be found beneath the Venetian houses of Kuzina in the west, and perhaps another somewhere near Rethymna.

A medieval picture of plants

VERY RARELY does a book come my way so individual as Livre des Simples Medecines. This is a 15th-century French herbal which has been reproduced facsimile and is accompanied by a second volume translating the original, written in medieval French script and also giving a great deal of background information about this manuscript in particular and ancient herbals in general.

Manuscripts produced before the days of printing and reproduced individually by hand always differed in detail from copy to copy as each transcriber added bits of his own or others garnered from different sources. The particular copy which has been used for this publication is manuscript IV 1024 in the Bibliotheque Royale, Brussels, and is considered by experts to be a version of special quality and one of the major works of medieval science.

It was transcribed into modern French by Dr Carmelia Opsomer and first published in 1980, and has now been translated into English by Robert and Professor W. T. Stearn, with explanatory notes by Prof Stearn which will be of particular value to those, like myself, who have little or no knowledge of medieval herbals.

What I am sure will captivate everyone at first sight are the illustrations, which are enchanting. All are in colour and almost every page has one or more pictures. The manuscript is almost entirely written by one person in a bold, beautifully regular script in brown ink with ornamental red initials and the pictures are

GARDENING

ARTHUR HELLER

evidently by more than one artist as they differ considerably in style and accuracy.

Most are immediately recognisable but some are not and Prof Stearn has made the book much more interesting by attempting to identify the plants and giving them their modern names.

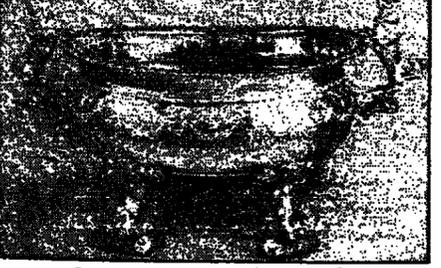
But, as with most ancient manuscripts, some sheets have been lost and the introduction is missing from this Brussels version of Livre des Simples Medecines. Such deficiencies have been made good by drawing on another copy, known as the Wolfenbutel manuscript and this tells us clearly what the work is about.

The authors say: "In this present work our aim and intention is to deal with simple medicines. It should be known that a medicine is called simple if it is used in its natural state, like the clove or the nutmeg, or if, although undergoing some artificial preparation, it is not mixed with another medicine."

And, in the closing paragraph: "For each simple we shall indicate its complexion, that is, hot, dry, moist or cold. Then we shall say whether it is a tree, shrub, plant, root, flower, seed, leaf, stone, juice, or other substance."

What we do not know so well is how the various rooms were used, and to what extent the buildings were the official residences of rulers — the principal use of "palace" since the residence of Augustus and his successors on the Palatine in Rome.

As with so many matters in archaeology, the evidence is not nearly so good as the confident labels suggest. For instance, it seems today after much iconographical study that the Throne Room may not have been for a Minoan but for a priestess or queen (who should then become an Ariadne, if we need a label); she could have sat in state as the epiphany of the Minoans' goddess.



Queen Anne wine cooler on show at Burghley

Home of silver

BY JUNE FIELD

"THERE'S A cobweb," murmured Lady Victoria Leatham, pointing on it. As chatelaine of Burghley House, Stamford, Lincolnshire, the youngest daughter of David, 6th Marquess of Exeter, 1928 Olympic Gold medalist who died in 1981, she takes pride in keeping the place up to scratch.

Victoria, 37, with her husband Simon Leatham, who is in shipping finance, and their two children, moved in about two years ago to the great Elizabethan mansion built by William Cecil (1520-85), 1st Lord Burghley, and Lord High Treasurer to Queen Elizabeth I. (The estate is held in trust for the family, and the present Marquess, a septuagenarian rancher in Canada, did not want to come back to England when his brother David died.)

For all its grand royal connections, Queen Elizabeth's Burghley when many of the fabrics are original, the Brown Drawing Room with the bed slept in by Queen Victoria as a child, and the Black and Yellow Bedchamber used by King George VI and Queen Elizabeth the Queen Mother when Duke and Duchess of York — the house has a pleasing air of domesticity.

In spite of being busy with her job of running Sotheby's in Cambridge, Victoria Leatham has considerably increased Burghley's potential, stepping up visitor attendance from 46,000 to 60,000 over last season. The house is open to the public from April to October.

make people more aware of what is here." The last of this season's music concerts L'arte del Canto is on Friday. Next year's programme is a celebration of Handel's tercentenary, with music selected from the 9th Earl's collection. The special study days will be repeated, too, what for about £25 or get not only a guided tour of the house, but lectures by experts such as John Bly on furniture and on silver by Richard Cane, plus lunch in the family's private dining-room.

Two special exhibitions of family treasures are on Oriental porcelain and silver. One of the first "finds" (some in Harrods hat box left on the stairs) was what she calls "a selection of odd pots." Sotheby's ceramics expert Gordon Lang identified them as one of the finest recorded private collections of Japanese porcelain in the west, mainly inventoried at Burghley in 1688 by Culpepper Tanner, personal secretary to the Fifth Earl.

The exhibitions go on until October 7, Monday to Saturday (including this Bank Holiday) 11.5, and Sundays 2.5. The silver in the latest exhibition is not confined to a particular period or style, forming what Gerald Taylor of Oxford's Ashmolean Museum in the introduction to the catalogue calls an accumulation rather than a collection, because it has been based on a single mansion for centuries. (In this case there were major depletions by the sales of 1888 and 1959, which included many prime pieces.)

But the brave consumer is then warned that he had better immediately drink some good pure wine and take some ginger and a theraic.

The illustrations often stray away from botany to make some practical or moral point or just, apparently, for the sheer fun of it. The young man who, on sheet 100, is crushing grain to improve the quality of his blood has his eyes covered from behind by a naked lady who is clearly saying "Guess what I'm wearing?" and the extraordinary picture of the newelwork (costly) on sheet 62 is perched like some monstrous bird on the roof of a building which is falling apart beneath it.

Livre des Simples Medecines is published by De Schutter, Venusstraat 23, B-2000, Antwerp, Belgium, and can be obtained either direct from them or from Wheldon and Wesley, Hyton Lodge, Codicote, Herts. The price is Bfr 24,000 (£314). A book that will give a great deal of pleasure and could prove to be a very good investment.

SPORT

It's back to the Mersey machine

The English soccer programme begins today with players, managers, directors and supporters believing, or at least hoping, that this will be their year. Whatever the dreams, certain realities are inescapable. Hooliganism, in spite of that nebulous Government report, made without consultation with the Football League, the FA or the police, will continue to scar the game.

TREVOR BAILEY crystal-gazes on the new soccer season

Although the North-West will probably dominate the First Division, London with five clubs, six if one includes Watford, might change matters. The big Arsenal, Spurs and West Ham, failed to live up to expectation last year. Watford, in spite of reaching the FA Cup Final, had limitations which were to some extent camouflaged by their unusual style.

Football's economic problems will grow as illustrated by the latest Arsenal balance sheet showing a loss of £750,000 and some of the smaller clubs will either remain tottering on the edge or topple over into bankruptcy. Finally Liverpool will finish in the top three and carry off at least one major honour.

It would be stupid to write off the champions on the evidence of last Saturday's sub-standard performance in a tropical heat at Wembley, when they were beaten in the Charity Shield by Everton, probably the most improved team in the 1983-84 First Division. It should be remembered that Liverpool lost the same fixture to Manchester United last year but went on to achieve an astonishing treble—the Canon League championship, the European Cup and the Milk Cup.

The First Division championship will be carried off by a team who in addition to class possess reserve cover, stamina, and the ability to steal three points from an away fixture in January on ice when below their best. These are the qualities which have made the Merseyside machine the finest team in England, and Europe for so many years. And they still have them.

I fancy their neighbours, Everton, will provide a bigger threat than big spending Manchester United, who have splashed out £1,750,000 on Olson Strachan and Brazil. Everton have acquired an impressive rhythm and understanding while behind, possibly the most efficient and constructive back four in the business. They have the finest wherries whereas United are still seeking to blend into the most effective pattern on an impressive array of

individual talent. Although the North-West will probably dominate the First Division, London with five clubs, six if one includes Watford, might change matters. The big Arsenal, Spurs and West Ham, failed to live up to expectation last year. Watford, in spite of reaching the FA Cup Final, had limitations which were to some extent camouflaged by their unusual style.

Chelsea's promotion was obtained from an unusually weak Second Division. This leaves Queens Park Rangers who have prospered since installing their Omniturf pitch three years ago. Although they have lost manager Terry Venables, he has left his successor Alan Mullery one of the best young squads in the land. The two London teams most likely to finish in the top five or reach a Cup Final are for money Arsenal and Rangers.

Last winter was a disaster for Milland clubs. Not only were there three of them relegated, but they also occupied the new three bottom places in the first Division. The present outlook does not look too encouraging, unless Brian Clough can conjure up another minor miracle at Nottingham Forest, possibly in Europe, or Aston Villa red-covers their form of three years ago.

For Wembley and a high position on their return to the Division are Sheffield Wednesday, providing they gain the confidence—which stems from a good start. The Yorkshire side may be rather short on errat but could well unsettle their opponents with their continual hustle and bustle.

The Second Division is populated by a number of teams who draw small, often minute, gates such as Carlisle, Grimsby, Shrewsbury, Barnsley, Blackburn, Oldham and newly-promoted Oxford and Wimbledon. These little clubs with limited resources would find it hard to survive if they went into the First Division, where some players are earning £50,000 per annum.

My three for promotion are Manchester City, Birmingham and Leeds, who when they do well command large local support.

Lessons at Lord's

ALL CRICKET seasons die hard, as far as I'm concerned. Even this one when England played Saturday cricket against opponents who employed the true arts of the game with a Saturday cricket panache.

But on to Lord's this weekend. I would never have believed that a Test against Sri Lanka could promise to be one of the highlights of Bank Holiday weekend sport.

Sri Lanka's batting has been a revelation. Sid Westcott and his friends make it look so easy and elegant and exciting. Oh, my goodness, was that a leg glide! Oh, my Hutton and my Washbrook long ago!

But there are other vital games of real cricket to see this weekend. Essex, still with a champion look in spite of recent setbacks, take on Surrey at The Oval, and I hope my second favourite team after Yorkshire clinch the championship.

Notts, Essex's nearest rivals, meet Warwickshire at Trent Bridge. This should be one of the weekend's attractions. Can that strong Warwickshire batting side sabotage all the county championship prognostications?

I said a cricket season dies hard. It also dies sadly. At Bradford, Yorkshire and Glamorgan battle out for the bottom end of the table. And Boycott is in disgrace again.

What else do we look for on Bank Holiday weekend? Racing is at Hampton Court maze, so many meetings that you might as well concentrate on Sun Bingo rather than try to work out form on about three handfuls of racecards.

ALAN FORREST looks at the holiday sport programme

Bank Holiday weekend? Racing is at Hampton Court maze, so many meetings that you might as well concentrate on Sun Bingo rather than try to work out form on about three handfuls of racecards.

But the most interesting race is the Waterford Crystal Mile at Goodwood today, in which Greenville Skerrett makes a formidable bid on Rouillon — the horse that gained him a 14-day suspension on the same course earlier this month.

There is international show-jumping at Hickstead, shooting at Bisley, powerboat racing on the Thames and on The Solent. And City yachting buffs will have their eyes on the Schroder Channel Race from Cowes to Guernsey today.

Seventy-eight boats line up for this event, including several from City boat clubs. Lloyd's Bank of England, Barclays and Bank Norex are among the entries.

Last year's race was won by a NatWest crew, skippered by Mike Flowers, who looks after the bank's bullion in Bristol. He races again today—not on official NatWest boat, but on another one crewed mainly by NatWest people.

Did the Minoans really have palaces?

BY GERALD CADOGAN

THE BRITISH like Crete. It is beautiful, sunny, an island, has memories of the war, and there is an heroic and independent attitude to life. It has produced El Greco, Kazantzakis and Venizelos. Its fruits and olive oil and raki (the local pooteen) are delicious; and its mountains graze the sky.

Its greatest fame belongs to the palaces and civilisation of its inhabitants in the Bronze Age of c 3300-1000 BC, the Minoans: who were discovered by Sir Arthur Evans at the beginning of the century.

Evans started digging at Knossos, a couple of miles outside Iraklion, in March 1900. He is clear in his first report that he was finding a palace, and he managed to uncover about two acres that year. But was it really a palace as Evans called it?

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Greece came to rule the island from Knossos. They may well have wrought the havoc. Knossos survived under their rule till c 1375 BC and then also burnt down. We do not know whom to blame.

The four certain palaces are built around central courts aligned north or less north-south. They are large build-ings. Knossos, with three acres for the palace without the buildings close by, is much larger than the others and must have been the capital.

Design and construction show similarities between them. There are light wells for light and to help air circulate; and rooms that could be divided by folding doors.

Evans saw the hall as where the king ate and slept, with a room for the queen just down a corridor. The storerooms with enormous storage jars are equally part of the palaces, as are finely dressed masonry, pillars and columns.

What we do not know so well is how the various rooms were used, and to what extent the buildings were the official residences of rulers — the principal use of "palace" since the residence of Augustus and his successors on the Palatine in Rome.

As with so many matters in archaeology, the evidence is not nearly so good as the confident labels suggest. For instance, it seems today after much iconographical study that the Throne Room may not have been for a Minoan but for a priestess or queen (who should then become an Ariadne, if we need a label); she could have sat in state as the epiphany of the Minoans' goddess.

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Knossos is part of the glory that was Crete

Meanwhile, at the workbench

THE CALL for a national dock strike is, of course, the issue of the moment, and we could no doubt let off a good deal of emotional steam for some of our readers by denouncing everyone concerned—indeed, some readers may well be unscrupulous in their eagerness to tell us that they are exactly how this space should be occupied. However, the immediate issue is not what we, or the broader business community think of the dockers' leaders, but what the dockers think of them—how many respond to what is a blatantly political call, and how much enthusiasm. At the moment we simply do not know; it would be as premature to conclude that everything is coming to a standstill as to hope that because some dockers are working into next week before considering the call, it has no backing.

At the risk, therefore, of being accused of frivolity we will restrain from counting our ventures before they are hatched, and turn to the question which was exercising the markets quite strenuously before the dock strike question suddenly re-emerged: what is going on in the UK economy? We had quite a run of bad news to provoke this question—sluggish retail sales, a poor start to the August B registration car sales, a fall in output in the second quarter, and now a sharp downturn in the longer leading indicators. This has led quite a number of commentators to conclude that the recovery is petering out even before unemployment has stopped rising.

If this judgement is right, it is a grave matter. The analysis looks only too plausible to anyone with a memory for British disappointments. The Government relaxes credit restrictions (or in this case abolishes them), and applies a modest fiscal stimulus ahead of a general election. A little over a year later the impulse is spent, most of the additional demand has gone to higher imports and we are more or less back where we came in. It is an old story.

Such a prospect would put the government's entire economic strategy in question. The strategy, apart from the present labour disputes (and it is perhaps surprising that such difficulties did not appear earlier) has lived up to all its negative promises, with one partial exception. Inflation has been brought down exceeding the hopes of forecasters, and productivity has been improved (through a labour shake-out) at a rate which is miraculous by British standards, an financial incentives restored; yet there has been only a modest and sluggish recovery. We have achieved, according to the various measures of GDP, either no growth at all, or something less than four per cent in five

"**A** MERICA is presented with the clearest political choice of half a century." So President Ronald Reagan laid down what sounded like a defiantly ideological battle-line in accepting his party's nomination to run for a second term in the White House, amid a patriotic orgy of red, white and blue razzmatazz in Dallas this week. It is not, needless to say, that simple.

What the Republicans have done at their national party convention here is to take a gamble on their conviction that their relaxed style of cowboy-battered optimism and patriotism now reflects the sentiments of a majority of the American people.

Their conviction is totally genuine. The predominantly conservative Republicans who poured into Dallas's slick skyscrapers and spent a small fortune in its Western Wear stores this week firmly believe that the rest of the country has finally caught up with them. They believe that anyone who calls himself or herself American cannot now fail to see the blinding light.

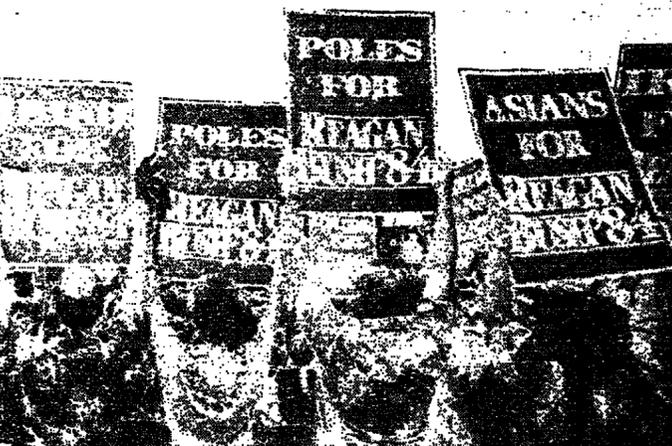
They believe that they are well on the way to turning the Democrats from the country's majority political movement into something resembling a fragmented British Labour Party. And this year, unlike in 1980 when Mr Reagan first won the White House, they make no bones about saying so.

In the last few days, Dallas has become the symbol of that spirit. And it is no coincidence that the city was chosen to express it in the first place. Indeed, the "candor" boomers, aka-the-limit optimism of the "Big D" and the Republicans own self-confidence have fed on each other this week. It has been a mutual love-in.

This is not the Dallas of the TV serial or the city perceived by others as still trying to shake off the guilt of the Kennedy assassination more than 20 years ago—however much that unwanted and probably unfair skeleton still lingers in the cupboard.

This, for the Republicans, is the future and it works. Dallas has virtually no blue collar industry, other than the construction business, or trade unions and only minimal unemployment.

The Republicans after Dallas



The "patriotic orgy of red, white and blue razzmatazz" in Dallas this week

Reagan gambles on his brand of conservatism

By Reginald Dale, U.S. Editor, in Dallas

While he has recently made gestures in their direction, Mr Reagan is essentially protected by the unlikelihood that they would ever vote Democrat.

That Mr Reagan is in many respects a pragmatist is now in little doubt. He has a sense, as one political expert put it here this week, of "what is plausible and implausible." He knows that he cannot concede the centre if he is to win again in November. His White House aides were feelingly embarrassed this week by the nostalgic extremism of Senator Barry Goldwater of Arizona, despite their respect for his claim to have laid the foundations of the new conservatism that finally led to Mr Reagan's landslide victory last year.

Party moderates complained they had been left out.

issues. They lay claim to a radical, free market philosophy not far different from traditional European liberalism.

The religious fundamentalists, represented most ostentatiously by Moral Majority leader, Rev Jerry Falwell, may have thoughts about the gold standard, but are much more dedicated to a return to strict "born again" moral rectitude in personal behaviour.

Over 40 per cent of the Republican delegates were women, but there was no sense, as there was in San Francisco, that the white male risked becoming an endangered species.

The average Republican delegate, according to one estimate,

changed than because Mr Reagan seems to express a sort of instinctive Americanism, in the same way that President Charles de Gaulle encapsulated some fundamental aspects of Frenchness.

Of course, the country is changing, too. The upsurge of the election, as exemplified by Dallas—and the relative decline of the North and industrial Midwest—have narrowed the Democrats' base and put them on the defensive. Trade unionism in the U.S., never as strong as in Western Europe, is now in a period of historic decline—at least in its traditional form. Such factors are behind the Republicans' tactic of branding the Democrats, as Mr Reagan did this week, as the party of high taxes, special interests, featherbedding government, and "drunken sailor" spending.

In addition, the conservatives claim that 75 per cent or more of the electorate supports their positions on social issues like abortion and school prayer. In 1980, however, many pro-Reagan votes were really anti-Carter ones. If Mr Reagan wins this time, as the incumbent campaigning on his record, he will almost certainly be able to claim a higher percentage of positive pro-Reaganites.

But it has escaped few people's attention this week that this is the last time that Mr Reagan will be running for public office—U.S. presidents being constitutionally limited to two four-year terms. Republican hopefuls, just like their Democratic rivals, are already jockeying hard for position in the 1988 race.

Secretly, the Democratic hopefuls would probably in their heart of hearts prefer Mr Mondale to lose this time—on the grounds that it will be easier to recapture the White House after two successive terms of Reaganism and Republicanism. In any case, Mr Reagan's presidential gains are unlikely to be matched by equivalent Republican successes in the Congressional elections held at the same time. The Democrats are still hoping to increase their current majority in the House and believe they have a long shot at the Republican controlled Senate.

By 1988 the time may have come for the "reflexive" leadership unsuccessfully offered this year by Senator Gary Hart of Colorado. Many of the people who supported Mr Hart would not have been totally out of place at the Republican convention. They are often conservative in terms of free market economic policy, while liberal on the social issues.

The Democrats remain the majority party in terms of registered voters, and the full voting power of blacks, who overwhelmingly reject Mr Reagan, has yet to be mobilised. There will be more Gary Harts in the next four years reaching into the ranks of independents and Republicans in the same way that Mr Reagan successfully raided Democratic ranks in 1980.

Chinese walls in the City

Sir—Mr Green (August 18) suggests that modified California breed blocks have been used by a number of financial institutions to conduct their "Chinese Walls." The BBC correspondent in Peking, however, reported on the radio recently that the Chinese leadership is concerned that 35 per cent of their Wall is crumbling and is looking at ways to finance repairs.

Is not the London institutions will be rushing to raise the money to help when they can legitimately claim to have constructed the real thing?

Peter Childens, Pembroke, Lytton Hill, East Horsley, Surrey.

Time to set textiles free

Sir—The editorial "Time to set textiles free" (August 15) deals with American attitudes to Third World imports: I am much more concerned with the attitude of the British Government in this regard. It seems to me that the Department of Trade has the worst possible record of any members of the EC in rushing at the slightest provocation to the Commission of the European Communities for approval in not applying Community treatment to whichever textile fabric it feels might be conveniently disallowed entry into the UK.

Within the last month the DoT applied to the Commission opposing import licence applications for goods in free circulation originating in South Korea. The application was made under Article 113 of the Treaty of Rome which, in my view, was totally inappropriate. Immediate approval was given and as a consequence a mountain of merchandise languishes in European ports for which U.K. importers have paid against letters of credit opened

Letters to the Editor

Marsh is aspirin to qualify as a classic an invention must, he says, appear at the right time; its development should coincide with other "accidents" (sic) of history so that its characteristics are exploited to their fullest potential.

It matters, therefore, that you printed incorrectly the year in which Felix Hoffman, the German chemist, devised the aspirin. For 1907 your clientele should read 1897, or thereabouts. Patents were applied for in 1895 and 1898. The German application was unsuccessful, but patents were granted in the United Kingdom

Truly useful invention

Sir—Amongst the ten most useful inventions of all time listed (August 16) by Peter

Too great an engineering input into water planning

From Mr R. Morton
Sir—I have only just seen Mr Reeve's comments (August 5) on my letter about deficiencies in water planning and hope I can be permitted a reply. Mr Reeve provides, no doubt unconsciously, an illustration of the problem to which I was trying to draw attention, viz. too narrow an input into planning.

The purchase of surplus water from Anglian Water Authority's Rutland Water was only one of a number of schemes envisaged as an alternative to Carsington reservoir. Its significance was that it was both cheaper in economic terms and would have brought time in which other, less environmentally damaging, schemes, which it was acknowledged could be ready by the mid-1980s, were being developed. Moreover, it was a lower-risk scheme than Carsington in both financial and engineering terms, a factor which has proved to be of crucial importance. Why then

What the records show

From Mr Gordon Mitchell
Sir—Mr Russell correctly pointed out (August 18) the slip made by Janet Marsh in her article (August 4) on the Spitfire recently auctioned at Duxford (bidding for which, incidentally, went up to £320,000), concerning the number of Spitfires available at the time of the Battle of Britain. The far-too-low figure given by Ms Marsh was no doubt largely accounted for by a slip of her pen in writing "Battle of Britain" instead of "at the outbreak of war" in her article.

Some additional figures on Spitfire production might usefully be given to augment those given by Mr Russell.

The first order for 310 Spitfires, following its first flight on March 5 1936, was given in June that year. The aircraft was found to be a very difficult animal to mass-produce and it took no less than 34 years to complete the first order. This contrasts with the peak wartime production at the Castle Bromwich shadow factory of 320 Spitfires per month! By the outbreak of war, orders had

Brokers and ECGD

From the Chairman, UK Credit Insurance Brokers' Committee
Sir— I would like to comment on the reference to insurance brokers in the article on the Export Credits Guarantee Department (August 17). Insurance brokers seek to offer an efficient and flexible export credit service and have always co-operated with ECGD to achieve this. They are, of course, in no position to "pick up some of ECGD's business" but regard the service they provide as complementary to that provided by ECGD itself. As we said when the Matthews report was published, in the future we "look forward to working closely with ECGD and exporters to support the competitive growth of British exports in the world market."

G. M. Vere Nicoll,
14, Bevis Marks, EC3.

Too great an engineering input into water planning

straight away was adopted. Whatever payments they had agreed however would have resulted in no net change in water authorities' (and therefore Public Sector) expenditure and, while being of interest to the ratepayers, was of no economic significance.

Not only did STWA not recognise the fallacy of its approach, but it would not even open negotiations with AWA, that no one else in the chain of decision-making corrected its analysis. The Inspector at the last inquiry overlooked the point and indeed omitted to consider the scheme at all. The National Water Council failed to exercise the co-ordinating role it was supposed to have and the Department of the Environment, up to the Ministerial level at which the final decision was taken, was completely misled, as was demonstrated by a Parliamentary written answer in August 1980.

Handwritten signature in Arabic script: محمد علي الفيلسوف

Daejan Holdings PLC

SILVER JUBILEE 1959-1984

The Chairman, Mr B S E Freshwater, reports:

- In the Company's Silver Jubilee year, our results are substantially better than ever previously achieved.
- Rental income is now sufficient to absorb all financing and other costs.
- The current programme of controlled expansion by reinvestment into good quality commercial property, will provide continued income and capital growth.
- The total portfolio is now valued at more than £125 million, compared with £4 million in 1959.
- Our portfolio is sufficiently diverse to enable me to retain a quiet confidence for the future.

	1984	1983
	£	£
Profit before Tax	12,827,000	6,930,000
Net Profit	7,304,000	4,294,000
Earnings per Share	45.32p	26.48p
Dividends per Share	12.50p	5.75p
Net Assets per Share	413p	373p

Copies of the Report and Accounts are available from The Secretary, 162 Shelburne Avenue, London WC2H 8JF.

BINGO did not feature in George Orwell's vision of a newspaper in Nineteen Eighty-Four... Orwell merely foresaw a Ministry of Truth with one department given over to the production of 'rubbishy newspapers'...



Mr Maxwell: "My game and I can change the rules"

Fleet Street

Battle of the bingo barons

By Sue Cameron

London's Fleet Street, centre of the UK national newspaper industry, boasts half a dozen would-be Big Brothers who have just begun a fierce circulation battle... Mr Maxwell's aim is to push Daily Mirror sales from an average of 3.365m in the first half of this year to 4.5m...

But he is well aware that "game" and "rule" allow great scope... Mr Maxwell's problem is that Who Dares Wins involves matching eight pairs of numbers and offers an infinitesimal chance of success...

EYES DOWN FOR THE HIGHEST RETURN...

IF, AFTER playing all the games on offer, you have failed to win a single prize this week, it may be time to develop a more rational strategy... The methods of statistics, after all, were invented to assist game players...

usual five which produced a winner the same day... Mr Bruce Matthews, managing director of News International, explained that the numbers had been published early to avoid a possible industrial dispute on Saturday...

at MGN. "I made it clear on my first day here that if anybody else was to be kept in accordance with his proper direct line to his editors... He is also bringing out the Mirror on time, something which has not been done for years."

"We were losing £2m a year because of lateness," Mr Maxwell says. But now we've cancelled out almost all of that... One way in which Fleet Street could streamline its efficiency and bring about dramatic profit increases in the longer term is by introducing new technology...

A symbol of the UK national newspaper industry's troubles is the much-cherished belief that managements will only overcome the resistance to new technology and the day-to-day difficulties of production if they stand shoulder to shoulder... Having offered battle, Mr Maxwell will find that he is taking on some tough opponents...

Clive Wolman... The Sun has now promised another £1m game. With the same rules, Sun bingo will be by far the most profitable game... The Daily Express last weekend claimed to be the first newspaper to guarantee a £1m pay-out to a winner...

The liberation of Paris A whiff of blood and glory

By David Marsh in Paris

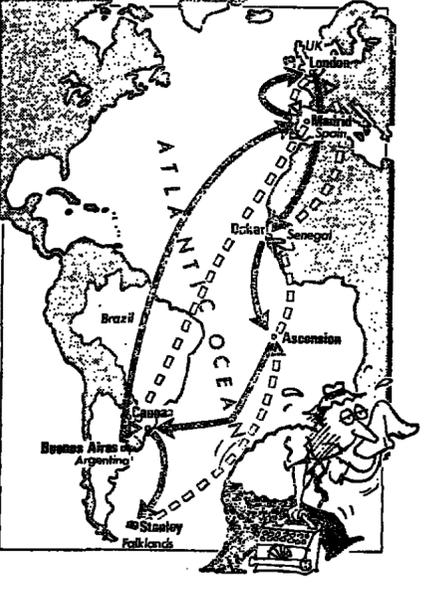
"THEY were the invaders, famous march down the Champs-Élysées... The liberation of Paris is not without domestic political significance... There will be no participants from the German embassy among the representatives of 11 liberating countries...

At a ceremony on August 15 to mark the 40th anniversary of the Allied and French landings in the south of France... The Socialist Government, too, is using the war-time commemorations to try to summon up a touch of Gallie Dunkirk spirit...

Weekend Brief

How our man in B.A. went to the Falklands...

HAVE YOU ever thought of going from London to Edinburgh via Calcutta, or flying to Kuala Lumpur before getting to Paris? Quite an adventure, you would probably think, but hardly the most efficient way to travel... The train headed towards Swindon and I read the Ministry of Defence's pages of typed "Instructions for Civilian Passengers"...



planes are not more than about 80 ft apart. When their turbulence it can get a bit terrifying... Our operation went wrong from the start. First, one tanker turned back to Ascension earlier than scheduled because of an engine overheat... The transit lounge was a steaming mass of soldiers anxious to leave after a four-month tour...

Bon appetit in High Wycombe

MYCO-PROTEIN has come a long way since I first tried it in 1970, when large chunks of "beef" in a curry collapsed to mush in the mouth... Today the company's factory-made beef has a texture and flavour that survives until you are ready to swallow... The common factor is that, although all the new foods are high in protein and fibre, none contains flesh, fish or fowl...

BUILDING SOCIETY RATES

Table with columns for Share Price, Sub'n shares, and Rates for various building societies like Abbey National, Alliance, Anglia, Barnsley, Birmingham and Bridgewater, Bradford and Bingley, Britannia, Cardiff, Catholic, Century (Edinburgh), Chelsea, Cheltenham and Gloucester, Citizens Regency, City of London (The), Coventry, Derbyshire, Gateway, Greenwich, Guardian, Halifax, Heart of England, Hemel Hempstead, Hendon, Lambeth, Leamington Spa, Leeds and Holbeck, Leeds Permanent, Leicester, London Permanent, Midshires, Mornington, National Counties, National and Provincial, Nationwide, Newcastle, Northern Rock, Norwich, Paddington, Peckham, Portman, Portsmouth, Property Owners, Scarborough, Stroud, Sussex County, Sussex Mutual, Thrift, Town and Country, Wessex, Woolwich, Yorkshire.

Companies and Markets

UK COMPANY NEWS

Astra rights issue follows £4.2m deficit

BY STEFAN WAGSTYL

Astra Industrial, the struggling West Midlands group with interests in engineering, property and snooker clubs, yesterday announced heavy losses, a £4.2m two-for-five rights issue and the wholesale restructuring of its affairs.

Mr Peter Dellar, chairman since March, has secured the support of the group's bankers... Astra is selling, for about £482,000, its scrap reprocessing division, Parkfield Iron and Steel...

The rights issue will be used to cut Astra's borrowings... Without eliminating this deficit Astra would not have been able, legally, to pay dividends...

Mr Dellar agreed that the difficulties at Astra had been greater than expected... Astra was, until 1980, an engineering company which then decided, under the direction of its former chairman, Mr Dennis Dukes, to diversify into industrial property management and leisure...

Collaboration hitch in ICL take-over

By Alexander Nicoll

Standard Telephones and Cables (STC) can call off its proposed takeover of ICL if completion of the deal would result in termination of the computer group's collaboration agreement with other companies...

Sir Michael Edwards, ICL chairman, said in a letter accompanying the offer that ICL and STC are working to secure the continuation of ICL's collaboration agreements...

Mersey Docks trade shows further decline

THE DECLINE in trade export-imported in the second half of 1983 continued into 1984, say the directors of the Mersey Docks and Harbour Company...

1984, there was a trading profit of £1.2m, but this was considerably lower than the £4.6m reported in the corresponding period last year...

The directors say financial results for the second half will be adversely affected by the two-week national dock strike...

Tunstall wins Munford battle

By Alexander Nicoll

Munford & White, a security alarm manufacturer, has reached agreement on an increased £2m bid from Tunstall Telecom, a communications equipment maker...

Wagon Finance ahead to £1.4m

A SUBSTANTIAL improvement in pre-tax profits from £457,000 to £1,366,000 at half-time by the Wagon Finance Corporation reflects profit arising from an increase in new business underwritten in the last two years...

At the end of last June all properties were revalued and sold to the main trading subsidiary Wagon Finance...

Press Tools

Lower pre-tax profits of £135,000 against £185,000 have been shown by Press Tools for the year to the end of April 1984...

Nova Jersey optimistic but cuts dividend 63%

Nova (Jersey) Knit's diversification away from traditional double jersey knit fabric activities into other textile operations is proving successful...

taxable profits from £429,000 to £444,000 on turnover down to £4,98m against £5,07m...

DIVIDENDS ANNOUNCED table with columns for Company, Date of payment, Current dividend, etc.

Lennox still improving At the annual meeting of Lennox Group, Mr Denis P. Lennox, chairman, said for the first 13 weeks of the current year the improvement in profitability was continuing...

Take-over bids and deals

Carless Capel and Leonard launched a bid worth over £100m for fellow British oil company Premier Consolidated Oilfields...

SUMMARY OF THE WEEK'S COMPANY NEWS

Table with columns for Company, Value of bid, Market share, Price, etc.

Rights Issue

Meggit Holdings-To raise £1.5m through a one for two rights issue at 35p.

BAT gets green light for German store deal

THE WEST GERMAN cartel office has cleared the way for BAT Industries, the tobacco, liqueur, brewery and leisure concern, to take a majority stake in Horien, the fourth largest German retail stores group...

Maybox seeks £2m to draw investors into theatre-land

BY WILLIAM DAWKINS

A GROUP headed by a former financial publisher and a theatrical producer is offering the opportunity to invest in London's theatre-land. Maybox Group, formed to acquire the theatre interests of Associated Newspapers, publishers of the Daily Mail and the Mail on Sunday...

Carless chief in technical Panel breach

By Ray Maughan

The previous statement by Mr John Leonard, chairman of Carless Capel and Leonard, that the group will not revise its £100m bid for Premier Consolidated Oilfields has been deemed a technical breach of Rule 42 of the Take-over Code...

Sunrie Clothes

Mr K. R. Humphris, an unknown private investor, has emerged as the purchaser of a holding in Sunrie Clothes, loss-making menswear group.

John Lees

Sales of the confectionery division of John J. Lees, the Llanurkshire-based company, were between 10 and 12 per cent ahead of the corresponding period last year...

McLaughlin & Harvey

Courtauld Pension Common Investment Fund now holds £30,000 ordinary shares in McLaughlin & Harvey, retaining an interest of 15.6 per cent in the equity.



Mr Patrick Sheehy, chairman of BAT Industries

Mr Patrick Sheehy, chairman of BAT Industries, has cleared the way for the group to take a majority stake in Horien, the fourth largest German retail stores group.

Whampton Steam

The recovery that the directors noted at midway and which they expected to be maintained in the second half has failed to materialise at the Wolverhampton Steam Laundry.

Boesky's shareholding in Cambrian now over 29%

MR IVAN BOESKY, the American arbitrator, has increased his voting stake in Cambrian & General Services Corporation, the fast growing UK investment trust which he controls and manages, to 29.7 per cent.

COMPANY NEWS IN BRIEF

Yearling bonds totalling £17.25m at 10 1/2 per cent, redeemable on August 29 1985, have been issued this week by the following local authorities: Braintree District Council £0.5m; East Hampshire DC £0.5m; Hackney (London Borough of) £1m; Durham (City of) £0.5m; Graveland Borough Council £0.5m; South Oxfordshire DC £0.25m; Wansbeck DC £0.25m; Metropolitan Police District (The receiver for the) £0.5m; Walsall Metropolitan BC £1m; Grampian Regional Council £2m; Hillingdon (London Borough of) £1m; Leeds (City of) £2m; Mid Sussex DC £0.5m; Northavon DC £0.25m; Tunbridge Wells DC £0.25m; Aberdeen (City of) DC £1.5m; Bedfordshire County Council £0.75m; Ellesmere Port & Neston (Borough of) £0.5m; Newcastle-upon-Tyne (City of) £0.5m; Northampton BC £0.75m.

PRELIMINARY RESULTS

Table with columns for Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p).

INTERIM STATEMENTS

Table with columns for Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p).

Offers for sale, placings and introductions

Hoggett Bowers-USM placing of 1,920,433 shares at 47p per share. Searno-USM placing of 282,000 shares at 106p each.

RESULTS DUE NEXT WEEK

It is a reflection on the continuing depressed state of the capital goods industries that the brightest performers in the Babcock International group are currently its North American companies...

Ladbroke modest rise While punters may complain that the bookmaker never actually loses money, there are times when the rains hit more difficult...

Associated Dairies Group has continued to move ahead strongly in its main Asda superstore division. It is early days to judge the impact of the new managing director who took over in May...

Table with columns: Company, Announcement Date, Dividend (p), Last year, This year. Lists companies like Associated Dairies Group, Hanson, etc.

Bank of Scotland HOME LOAN RATE Bank of Scotland announces that with effect from 3rd September, Bank of Scotland Home Loan rate will be decreased from 13 1/2% to 12 3/4% per annum.

Wider margins put Toyota profits ahead by 25%

TOYOTA MOTOR, Japan's biggest motor group, report a 23 per cent increase in unconsolidated net profits for the year ended June 1984, following a significant shift to wider margins.

Fenwick agrees to bid by Linde

Plans to take over Fenwick, currently in receivership, explained to the 1,600-strong workforce in early August.

Toronto shelves Dow-linked plan

The Toronto Futures Exchange (TFE) has shelved plans to offer a contract based on the Dow Jones industrial average, following strong objections by Dow Jones of New York.

South African bank lifts net earnings

By Jim Jones in Johannesburg TRUST BANK, South Africa's fifth largest bank, increased disclosed profits by 15 per cent in the year ended June 30.

Hang Seng cuts dividend

HANG SENG BANK, the second largest bank in Hong Kong, reports improved net profits for the first six months of 1984, but is cutting its dividend.

Special credit helps boost U.S. retailer

CARTER HAWLEY HALE, the U.S. department stores group which earlier this year fought off an unwelcome take-over bid from The Limited, reports net earnings of \$29.5m for the second quarter, against \$4.7m last time.

Posner tops KKR-led bid for City Investing units

MR VICTOR POSNER, the Miami-based investor and chairman of Sharon Steel, has offered \$1,250m for City Investing's Ribson Manufacturing unit.

Banks agree to \$150m financing for Lilco

A GROUP of 14 banks has agreed to provide Long Island Lighting (Lilco) with the \$150m financing needed to ward off bankruptcy.

Singapore bank progress

OVERSEAS Union Bank (OUB), the Singapore bank, increased group profit, after tax, to \$16.6m, from \$12.2m, in the first six months of 1984.

ECONOMIC DIARY

TOMORROW: Department for National Savings monthly progress report (June). TUESDAY: South Africa's Indians vote to elect MPs under new constitution.

Marginal advance by ESAB

ESAB, the Swedish welding equipment group, reports a small improvement in its pre-tax results for the first six months after struggling with the costs of integrating several companies it acquired as part of a strategy to position itself for an expected market upturn.

BASE LENDING RATES

Table listing various banks and their base lending rates, including A.B.N. Bank, Allied Irish Bank, etc.

Granville & Co. Limited

Table titled 'Over-the-Counter Market' showing company names, prices, and yields for various stocks.

HOME COMPUTERS FOR THE BUSINESSMAN

Advertisement for home computers, mentioning 'The Financial Times proposes to publish a survey on Home Computers for Businessmen on October 1'.

MONTAGU advertisement for investment services, listing various funds and their performance.

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for New York market, including columns for Stock, Aug 23, and Aug 22.

Table of stock prices for various international markets, including columns for Stock, Aug 23, and Aug 22.

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Investors' indifferent reaction

A MIXED TREND continued in light volume on Wall Street yesterday, when investors reacted indifferently to slightly improved monetary figures.

WALL STREET

was halted in the morning due to a trading imbalance. THE AMERICAN SE Market Value Index firmed 0.38 to 212.56, making a rise of 4.82 on the week.

CANADA

Small gains were scored by midsession, with the Toronto Composite Index up 4.5 to 2,372.1.

TOKYO

Slightly firmer, supported by the yen's steadiness against the dollar here and a forecast of higher Japanese Corporate capital spending.

AMSTERDAM

Mixed to higher, with recent good company news as the main factor. The undertone remained positive with advanced outturning being declined, and a few major gains were seen in steady trading.

SINGAPORE

Marginally higher on some late shortcovering and bargain-hunting in moderate trading.

PARIS

Firm in active trading following the monthly Settlement Thursday, and also buoyed by a steady Wall Street. Advances led declines 135-70.

Indices

Table of market indices for New York, Dow Jones, and Standard and Poors.

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CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Quiet trading

Currencies trade extremely quietly in London yesterday ahead of the long weekend. There was little incentive to take out fresh positions especially since the dollar shows little sign of following any clear trend in the absence of fresh economic indicators.

Rates firm

The dollar's index as unchanged at 136.1. Against the French franc it eased to FF 11.53 from FF 11.5500. On the D-mark it rose to DM 2.8730 from DM 2.8645 and Swf 2.3930 compared with Swf 2.45. It was also firmer against the yen at ¥241.05 from ¥240.65 and Ffr 8.8215 from Ffr 8.840.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. months, % p.a. Three months. Includes rows for U.S., Canada, Belgium, Denmark, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, Japan, Austria, and Swiss.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. months, % p.a. Three months. Includes rows for U.S., Canada, Belgium, Denmark, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, Japan, Austria, and Swiss.

OTHER CURRENCIES

Table with columns: Aug. 24, £, \$, ¥, Note Rates. Lists various currencies like Argentine Peso, Australian Dollar, British Pound, Canadian Dollar, etc.

EXCHANGE CROSS RATES

Table with columns: Aug. 24, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Lists cross rates for various currencies.

MONEY MARKETS

LONDON MONEY RATES

Table with columns: Aug. 24, 1984, Sterling, Interbank, Local Authority Deposits, Finance House Deposits, 3 Cert, SDR, ECUU, Treasury Buy, Treasury Sell, Eligible Bank Buy, Eligible Bank Sell, Treasury Buy, Treasury Sell. Lists London money rates.

Discount Houses Deposit and Bill Rates

Table with columns: Aug. 24, 1984, Local Authority Deposits, Finance House Deposits, 3 Cert, SDR, ECUU, Treasury Buy, Treasury Sell, Eligible Bank Buy, Eligible Bank Sell, Treasury Buy, Treasury Sell. Lists discount houses rates.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11.00 a.m. August 24, 3 months US dollars, 6 months US dollars, 12 months US dollars. Lists interbank fixing rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Aug. 24, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Deutsche Mark. Lists Euro-currency interest rates.

OTHER CURRENCIES

Table with columns: Aug. 24, £, \$, ¥, Note Rates. Lists various currencies like Argentine Peso, Australian Dollar, British Pound, Canadian Dollar, etc.

EXCHANGE CROSS RATES

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WEEKLY PRICE CHANGES

Table with columns: Latest prices, Change on week, Year ago, 1984 High, 1984 Low. Lists weekly price changes for various commodities.

REVIEW OF THE WEEK

Supply squeeze fears lift copper market. Primary aluminium fell during July for the first time since early 1983 as a result of producer cuts.

AMERICAN MARKETS

Heating oil opened lower but trade support in crude oil turned the market psychology around. A partial cancellation of trade discounts by the Soviets propelled the market to a strong close.

LONDON OIL

Table with columns: SPOT PRICES, CRUDE OIL, PRODUCTS, GOLD MARKETS, GOLD FUTURES. Lists London oil prices.

BASE METALS

Table with columns: COPPER, NICKEL, SILVER, LEAD, ZINC, COFFEE. Lists base metal prices.

INDICES

Table with columns: FINANCIAL TIMES, REUTERS, MOODY'S, DOW JONES. Lists financial indices.

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Call for UK dock strike finds markets resilient

Business volume falls ahead of Holiday weekend

Account Dealing Dates

First Declared Last Account Dealings Close Dealings Day
 July 30 Aug 9 Aug 10 Aug 20
 Aug 13 Aug 30 Aug 21 Sept 10
 Sept 3 Sept 13 Sept 14 Sept 24

The call for a nationwide UK dock strike made a slight impression on London stock markets. Awaiting the outcome of yesterday's meeting of national dock union delegates, leading industrialists moved higher and Government securities improved slightly. Shortly after midday, news of the conference call for an immediate strike caused a surprise and the ensuing stability succeeded that markets had discounted the development.

Considering the effects on trade of the approaching August Bank Holiday weekend and the extended closure of the market's resilience, private investors were again relatively active and appeared to be hoping that some dockworkers would refuse to follow union instructions.

Later in the session, business slowed to a trickle as both investors and market operators became preoccupied with the holiday. Leading shares from the best and the FT Industrial Ordinary share index rose 1/4 at 2.00, drifted back to rise 1/4 on the day at 328.5. The 70 constituents, 18 settled higher and nine lower, the remainder being unchanged.

Steels lost ground in foreign exchange markets following a sharp fall in the dollar. Sterling rose to a new early peak. Sharemarket interest rates hardened and this overtook some pressure on the shorter end of the market which looked buyers in front of the three day market closure. Quotations in the area eventually settled around 1/4 or lower, but medium and longer term rates were finally little affected on balance as most market makers failed to arouse much discussion.

Equity & Law feature

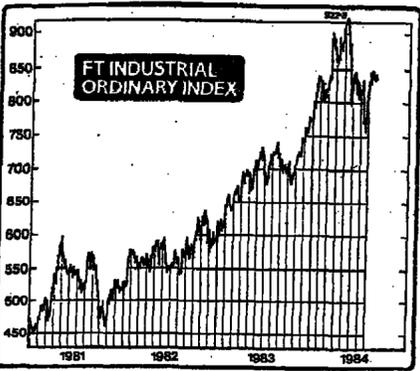
Takeover speculation once again spurred Life Insurance. Rumours of an imminent bid saw Equity and Law advanced to 205 before closing 25 better on the day at 200. Others gained ground in sym-

pathy and double-figure rises were commonplace. Britannic rose 1/2 to 525p. Refrigo 1/2 to 435p and Sun Life 3/4 to 655p. Pearl improved 1/2 to 590p and Legal and General 1/4 to 545p, while Hambro Life, 490p, and Prudential, 430p, gained 10 pence elsewhere. Dreyfus Warren moved 1/2 to 137p in response to an investment recommendation.

Hill Samuel were outstanding among merchant banks, jumping 20 to 310p, after 217p, on revised U.S. bid hopes. Leopold Joseph improved 10 to 240p and Mercury Securities 5 to 440p. Charterhouse J. Rothschild edged forward a couple of pence to 250p following a Press comment. Elsewhere, Wagon Finance rose 4 to 58p in recognition of better-than-expected interim results and a confident statement regarding future prospects. Among other firm clearers, Midland closed 4 dearer at 350p and NatWest 4 higher at 470p; the latter's new 140p shares ended 3 up at 270p.

Leading Breweries drifted gently lower, Bass shed 3 more to 750p, while similar falls were marked among Grand Metropolitan, 250p, and Whitbread 165p. Down 5 on Thursday in the wake of Mr David Nicolson's cautious statement at the annual meeting, Scottish and Newcastle eased 2 more to 108p; Phillips Drew had a similar fall in its profits forecast for the current year to 62p. Regionals encountered sporadic profit-taking which closed 4 from both Wolfrum and Dudley, 230p, and Greene King, 160p.

Buildings made another lacklustre showing. Blue Circle continued to reflect the downturn in interim profits and shed 6 for a day to 170p, while Redland softened a couple of pence to 270p on lack of interest. On a brighter note, Costain improved 4 to 290p ahead of the half-year figures due around the middle of next month. Press comment stimulated a occasional interest in Marchiel, 2 dearer at 214p, while revised speculation around a price cut to 225p. Ester Building and Construction fell to 194p low of 80p following the poor half-year results, while the announcement of almost halved interim profits left British Concrete Machinery a penny cheaper at 85p, after 85p. A sudden burst of arbitrage



business late in the session lifted ICI to 612p before the close of a net 8 up at 610p. Among other chemicals, Allied Colloids, cum the non-ferrous scrip issue, moved up 11 to 371p in a narrow market. William Canning added 3 to 117p on revised speculative interest. Elsewhere, Harland Inland and enzymes producer Nova Industries B shares slumped to 112p following slightly lower first-half lower profits and a broker's sell recommendation before rallying to close at 110p, still down 40 points on the day.

Woolworth rise

Dealers reported a fair business in leading Stores with Woolworth particularly favoured and 13 higher at 825p following the Board's latest-scale restructuring proposals aimed at revitalising the store's retailing operations over the next five years. British Home Hardware 5 to 210p and Marks and Spencer closed a penny dearer at 110p, after 112p. Secondary issues were featured by a speculative rise of 11 in Superdrug to an new peak of 320p on talk of a bid from Rite Aid Corporation of the U.S. for 72 per cent of the company, not already owned. Old speculative favourite, Arthur Honeysuckle revived with a gain of 7 to 85p, while Greenfield Leisure came on a penny at 48p, down 2. Stone and Leather Goods showed Strong and Fisher 5 better at 155p. Leading Electricals traded on a quietly firm note. Rises of 4 were recorded in GEC, 205p, Fiesse, 208p, and Roca, 250p. Elsewhere, Manifold and White featured with a fresh rise of 17 to 170p in response to agreed increased share exchange terms or a cash alternative of 170p, from Tunstall Telecom. Ferranti was supported on a put on 14 to 725p, but Kodak, 278p, and Resource Technology, 120p, fell 7 pence. USM stocks to show to advantage included Miles 33, up 15 at 510p, and Northanger, a similar amount higher at 165p.

Leading Engineers put up an uninspiring performance but Vickers, helped by the clearance of a line of stock, closed 4 to the good at 182p, after 184p. Among secondary issues, James Neil continued to respond to the recent good half-year figures and closed 4 higher at 814p, after 80p. Further investment support left P. H. Tomkins 3 dearer at 200p, while APV lifted 5 to 207p following comment on the interim figures. Dealings in Astra Industrial resumed at 91p, compared with the suspension price of 12p, after details of the proposed central reorganisation and rights issue.

Tate and Lyle encountered profit-taking after Thursday's bid rumours and slipped 5 to 375p, while Brooke Bond improved a penny to 111p following news that the former's offer would be referred to the Monopolies Commission. Among other Foods,

bid favourite Rowntree Mackintosh hardened a couple of pence to 192p, while Cadbury Schweppes gained the 200p amount to 132p on second thoughts about the interim result. Soft drinks concern J. N. Nicols (Vimto) rose 7 to 184p, a peak of 260p ahead of interim results, due on September 3, when it is expected to announce a lifted Associated Dairies 5 to 54p. In contrast, Food Retailers displayed several dull notes. Associated Dairies drifted off to close 6 down at 185p while Lennons shed 2 to 30p on the chairman's cautious optimistic statement at the annual meeting. Cullinan Ordinal A shed 15 pence to 250p and 50p respectively following termination of the talks with an unnamed party which could have led a closer association.

Becham improve

Leading miscellaneous industrial were inclined firmer for choice. Becham, helped by U.S. buyers, touched 245p before seeing 5 dearer on the day at 240p, which have been overlooked of late, found favour and put on a similar amount at 165p, while BTR edged up 6 to 425p. BBA halted a couple of pence to 170p on the interim results, but Kennedy Smaic eased to 108p on preliminary figures before rallying to close only a penny lower at 111p. Bechtel, a job, strong market earlier in the week on news of Ramsell Tradit's 25.6 per cent stake, ran back to 110p. Fluoro came to life with a gain of 5 to 190p, reflecting satisfactory half-year figures also put on 5 at 103p. Broad Street Bureau, awaiting interim figures, edged up 3 to 64p, while PT Gold Mines index fell 7.5 to 570.9p; a loss of 7.5 over the five-day period.

Among otherwise idle South African financials, Be Beers advanced 1/2 to 250p, after a decline of 2 to 245p and 19p common to Venterpost, 75p. West Rand, 450p, and Groenwiel, 750p, Vlakfontein closed 11 off at 163p.

The FT Gold Mines index fell 7.5 to 570.9p; a loss of 7.5 over the five-day period.

RTZ advance

Mining markets ended the week on a subdued note as the bullion price again failed to provide a decisive lead. South African Golds opened a shade easier reflecting the liquidation of state bank positions on Wall Street. Despite the Rand's stable performance against the dollar, Johannesburg operators proved to be small sellers for choice and, although selected issues attracted sporadic London demand, most drifted gently lower throughout the session.

Bullion encountered limited selling from the Continent and settled to 835p per ounce before the bid price fell 20 lower on the day at 835.25p.

Top-quality issues finished with losses to around a point. Libanone fell 1/2 to 220p, while Klod, 221p, and St. Helens, 221p, gave up 1/2 to 220p. Elsewhere, a decline of 3 to 285p and losses of 19p were common to Venterpost, 75p. West Rand, 450p, and Groenwiel, 750p, Vlakfontein closed 11 off at 163p.

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FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri Aug 24 1984			Thurs Aug 23			Wed Aug 22			Tue Aug 21			Mon Aug 20			Year ago (Jul 1983)			Highs and Lows Index		
	Index	Day's Change	% Change	Index	Day's Change	% Change	Index	Day's Change	% Change	Index	Day's Change	% Change	Index	Day's Change	% Change	Index	Day's Change	% Change	High	Low	
1 CAPITAL GOODS (204)	503.24	+0.7	10.07	502.34	+0.6	10.07	501.44	+0.5	10.07	500.54	+0.4	10.07	499.64	+0.3	10.07	498.74	+0.2	10.07	497.84	503.24	497.84
2 Building Materials (12)	456.24	+0.1	13.99	455.74	+0.1	13.99	455.24	+0.1	13.99	454.74	+0.1	13.99	454.24	+0.1	13.99	453.74	+0.1	13.99	453.24	456.24	453.24
3 Contractors (Construction) (20)	601.29	+0.2	14.37	600.79	+0.2	14.37	600.29	+0.2	14.37	599.79	+0.2	14.37	599.29	+0.2	14.37	598.79	+0.2	14.37	598.29	601.29	598.29
4 Electronics (14)	1379.61	+0.2	10.19	1378.61	+0.2	10.19	1377.61	+0.2	10.19	1376.61	+0.2	10.19	1375.61	+0.2	10.19	1374.61	+0.2	10.19	1373.61	1379.61	1373.61
5 Electronics (3)	1798.27	+0.3	12.19	1797.27	+0.3	12.19	1796.27	+0.3	12.19	1795.27	+0.3	12.19	1794.27	+0.3	12.19	1793.27	+0.3	12.19	1792.27	1798.27	1792.27
6 Mechanical Engineering (62)	247.88	+0.1	12.91	247.38	+0.1	12.91	246.88	+0.1	12.91	246.38	+0.1	12.91	245.88	+0.1	12.91	245.38	+0.1	12.91	244.88	247.88	244.88
7 Health and Medical Products (9)	128.96	+0.5	12.60	128.46	+0.5	12.60	127.96	+0.5	12.60	127.46	+0.5	12.60	126.96	+0.5	12.60	126.46	+0.5	12.60	125.96	128.96	125.96
8 Motors (18)	1191.81	+0.4	10.44	1190.81	+0.4	10.44	1189.81	+0.4	10.44	1188.81	+0.4	10.44	1187.81	+0.4	10.44	1186.81	+0.4	10.44	1185.81	1191.81	1185.81
9 Other Industrial Materials (17)	680.53	+0.9	8.89	679.53	+0.9	8.89	678.53	+0.9	8.89	677.53	+0.9	8.89	676.53	+0.9	8.89	675.53	+0.9	8.89	674.53	680.53	674.53
10 CONSUMER GROUP (113)	513.96	+0.4	10.90	512.96	+0.4	10.90	511.96	+0.4	10.90	510.96	+0.4	10.90	509.96	+0.4	10.90	508.96	+0.4	10.90	507.96	513.96	507.96
11 Breweries and Distillers (23)	505.69	+0.7	12.91	504.69	+0.7	12.91	503.69	+0.7	12.91	502.69	+0.7	12.91	501.69	+0.7	12.91	500.69	+0.7	12.91	499.69	505.69	499.69
12 Food Manufacturing (22)	392.50	+0.5	14.38	391.50	+0.5	14.38	390.50	+0.5	14.38	389.50	+0.5	14.38	388.50	+0.5	14.38	387.50	+0.5	14.38	386.50	392.50	386.50
13 Food Retailing (12)	1136.16	+0.6	7.58	1135.16	+0.6	7.58	1134.16	+0.6	7.58	1133.16	+0.6	7.58	1132.16	+0.6	7.58	1131.16	+0.6	7.58	1130.16	1136.16	1130.16
14 Health and Household Products (9)	800.23	+0.5	9.69	799.23	+0.5	9.69	798.23	+0.5	9.69	797.23	+0.5	9.69	796.23	+0.5	9.69	795.23	+0.5	9.69	794.23	800.23	794.23
15 Leisure (23)	573.31	+0.2	9.51	572.31	+0.2	9.51	571.31	+0.2	9.51	570.31	+0.2	9.51	569.31	+0.2	9.51	568.31	+0.2	9.51	567.31	573.31	567.31
16 Newspapers, Publishing (13)	243.20	+0.1	14.32	242.70	+0.1	14.32	242.20	+0.1	14.32	241.70	+0.1	14.32	241.20	+0.1	14.32	240.70	+0.1	14.32	240.20	243.20	240.20
17 Pharmaceuticals (12)	243.20	+0.1	14.32	242.70	+0.1	14.32	242.20	+0.1	14.32	241.70	+0.1	14.32	241.20	+0.1	14.32	240.70	+0.1	14.32	240.20	243.20	240.20
18 Stores (46)	443.71	+0.3	13.48	442.71	+0.3	13.48	441.71	+0.3	13.48	440.71	+0.3	13.48	439.71	+0.3	13.48	438.71	+0.3	13.48	437.71	443.71	437.71
19 Textiles (19)	267.94	+0.6	13.76	266.94	+0.6	13.76	265.94	+0.6	13.76	264.94	+0.6	13.76	263.94	+0.6	13.76	262.94	+0.6	13.76	261.94	267.94	261.94
20 Tobacco (3)	680.93	+0.3	16.66	679.93	+0.3	16.66	678.93	+0.3	16.66	677.93	+0.3	16.66	676.93	+0.3	16.66	675.93	+0.3	16.66	674.93	680.93	674.93
21 Transport (8)	464.71	+0.2	14.54	463.71	+0.2	14.54	462.71	+0.2	14.54	461.71	+0.2	14.54	460.71	+0.2	14.54	459.71	+0.2	14.54	458.71	464.71	458.71
22 OTHER GROUPS (84)	458.34	+0.5	10.65	457.34	+0.5	10.65	456.34	+0.5	10.65	455.34	+0.5	10.65	454.34	+0.5	10.65	453.34	+0.5	10.65	452.34	458.34	452.34
23 Chemicals (17)	610.06	+0.8	14.46	609.06	+0.8	14.46	608.06	+0.8	14.46	607.06	+0.8	14.46	606.06	+0.8	14.46	605.06	+0.8	14.46	604.06	610.06	604.06
24 Oil Equipment (4)	138.87	+0.5	8.24	138.37	+0.5	8.24	137.87	+0.5	8.24	137.37	+0.5	8.24	136.87	+0.5	8.24	136.37	+0.5	8.24	135.87	138.87	135.87
25 Shipping and Transport (13)	858.48	+0.8	12.91	857.48	+0.8	12.91	856.48	+0.8	12.91	855.48	+0.8	12.91	854.48	+0.8	12.91	853.48	+0.8	12.91	852.48	858.48	852.48
26 Insurance (Company) (2)	282.46	+0.1	14.56	281.96	+0.1	14.56	281.46	+0.1	14.56	280.96	+0.1	14.56	280.46	+0.1	14.56	279.96	+0.1	14.56	279.46	282.46	279.46
27 Insurance (Brokerage) (6)	847.91	+0.7	15.99	846.91	+0.7	15.99	845.91	+0.7	15.99	844.91	+0.7	15.99	843.91	+0.7	15.99	842.91	+0.7	15.99	841.91	847.91	841.91
28 Merchant Banks (12)	226.74	+2.3	4.96	225.74	+2.3	4.96	224.74	+2.3	4.96	223.74	+2.3	4.96	222.74	+2.3	4.96	221.74	+2.3	4.96	220.74	226.74	220.74
29 Property (53)	597.78	+0.7	15.99	596.78	+0.7	15.99	595.78	+0.7	15.99	594.78	+0.7	15.99	593.78	+0.7	15.99	592.78	+0.7	15.99	591.78	597.78	591.78
30 Other Finance (19)	246.04	+0.7	13.62	245.04	+0.7	13.62	244.04	+0.7	13.62	243.04	+0.7	13.62	242.04	+0.7	13.62	241.04	+0.7	13.62	240.04	246.04	240.04
31 Housing Finance (10)	513.96	+0.7	13.62	512.96	+0.7	13.62	511.96	+0.7	13.62	510.96	+0.7	13.62	509.96	+0.7	13.62	508.96	+0.7	13.62	507.96	513.96	507.96
32 Money Finance (4)	277.74	+0.8	10.12	276.74	+0.8	10.12	275.74	+0.8	10.12	274.74	+0.8	10.12	273.74	+0.8	10.12	272.74	+0.8	10.12	271.74	277.74	271.74
33 Overseas Traders (14)	362.91	+0.4	10.29	361.91	+0.4	10.29	360.91	+0.4	10.29	359.91	+0.4	10.29	358.91	+0.4	10.29	357.91	+0.4	10.29	356.91	362.91	356.91
34 ALL-SHARE INDEX (741)	513.11	+0.4	4.79	512.11	+0.4	4.79	511.11	+0.4	4.79	510.11	+0.4	4.79	509.11	+0.4	4.79	508.11	+0.4	4.79	507.11	513.11	507.11
Index: Day's Change	1087.2	+4.1	1087.2	1083.1	+4.1	1083.1	1079.0	+4.1	1079.0	1074.9	+4.1	10									

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including titles like 'British Group - Continued', 'Abney Unit Tr. Mgrs.', and 'High Income'.

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FT UNIT TRUST INFORMATION SERVICE

This space...

In addition to the advertising spaces available on the 'Your Savings and Investments' pages we are now able to offer a further opportunity to reach unit trust investors.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including Swiss Life Assurance Co Ltd, Target Life Assurance Co Ltd, and various international investment funds.

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Table of insurance and overseas funds including Swiss Life Assurance Co Ltd, Target Life Assurance Co Ltd, and various international investment funds.

Table of money market and trust funds including Money Market Trust Funds, Money Market Bank Accounts, and various international investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including various international investment funds and insurance companies.

FT LONDON SHARE INFORMATION SERVICE

"Income Driven" An investment strategy for today's markets. Ring Freefone Fidelity International.

AMERICANS

BEERS, WINES—Cont.

DRAPERY & STORES—Cont.

ENGINEERING—Continued

INDUSTRIALS (Miscel.)

Table of American stocks including Alcoa, Amstar, and others.

Table of Beers, Wines, and Timber and Roads stocks including Anheuser-Busch, Heineken, and others.

Table of Drapery & Stores stocks including J. J. Brindley, J. & J. Brindley, and others.

Table of Engineering stocks including Balfour Beatty, Balfour Beatty, and others.

Table of Industrial (Miscellaneous) stocks including AEA, AEA, and others.

BRITISH FUNDS

BUILDING INDUSTRY, TIMBER AND ROADS

ELECTRICALS

FOOD, GROCERIES, ETC

COMMONWEALTH AND AFRICAN LOANS

Table of British Funds including "Shorts" and "Five to Fifteen Years".

Table of Building Industry, Timber and Roads stocks including Amec, Amec, and others.

Table of Electricals stocks including A. & S. Electric, A. & S. Electric, and others.

Table of Food, Groceries, etc. stocks including Anglo Siam, Anglo Siam, and others.

Table of Commonwealth and African Loans including various international bonds.

CANADIANS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ENGINEERING

HOTELS AND CATERERS

Table of Canadian stocks including Alcan, Alcan, and others.

Table of Chemicals, Plastics stocks including Alkerm, Alkerm, and others.

Table of Drapery and Stores stocks including A. & S. Electric, A. & S. Electric, and others.

Table of Engineering stocks including Balfour Beatty, Balfour Beatty, and others.

Table of Hotels and Caterers stocks including AEA, AEA, and others.

INT. BANK AND O.E.A'S GOVT STERLING ISSUES

LOANS

BEERS, WINES & SPIRITS

FOREIGN BONDS & RAILS

FINANCIAL

Table of International Bank and O.E.A's Govt Sterling Issues.

Table of Loans including various international bonds.

Table of Beers, Wines & Spirits stocks including Anheuser-Busch, Heineken, and others.

Table of Foreign Bonds & Rails including various international bonds.

Table of Financial data including various international bonds.

UNDATED

HIRE PURCHASE, LEASING, ETC.

RECENTLY LISTED

RECENTLY LISTED

RECENTLY LISTED

Table of Undated stocks.

Table of Hire Purchase, Leasing, etc. stocks.

Table of Recently Listed stocks.

Table of Recently Listed stocks.

Table of Recently Listed stocks.

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Standard Life can construct the building you want on industrial parks at Abingdon, Basingstoke, Watford

MAN IN THE NEWS

Dockers' reluctant hero

BY BRIAN GROOM
The latest docks crisis means more public limelight for a man who hates it. Yet Sir John Connolly, national docks secretary of the Transport and General Workers Union, has cut a more impressive figure than many more prominent and ambitious union leaders.



John Connolly

many viewers certainly see as unwarranted use of frightening industrial muscle in pursuit of obscure ends.

His round-the-houses way with words (dockers don't have strength or power, only "industrial influence") should not be mistaken for inarticulateness. Local officials who step out of line find him a formidable voice down the telephone.

In a union where almost every official claims to be centre-left, Mr Connolly seems more left than centre. He is a dedicated Labour Party member, but does not maintain a high political profile.

It surprised no-one in the TGWU that he did not join the list of hopefuls to succeed Mr Moss Evans as general secretary. "John is neither an opportunist nor a careerist," said one colleague.

He is a dockers' man—the kind of official who comes up through the ranks and remains loyal to them. In 1952, he started as a London dock 30 years ago, became a lay official and then a full-time docks officer, before skipping a rank to be made national secretary of the docks and waterways group in July 1981.

Mr Connolly became head of a group which has several experienced hands, such as the colourful Mr Dennis Kelly, veteran leader of the Liverpool dockers, and Mr Brian Nicholson, the TGWU vice-chairman, a formidable and engaging London dockerman.

Rolls-Royce forecasts £100m drop in losses

BY MICHAEL DONNIE, AEROSPACE CORRESPONDENT
ROLLS-ROYCE, the state-owned aero-engine manufacturer, will substantially improve its financial performance in 1984 after last year's net loss of £193m, Sir William Duncan, the chairman, said yesterday.

Democrats hit back at Reagan

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON
LEADING Democrats yesterday reacted scornfully to President Ronald Reagan's "coronation" in Dallas as the Republican Party's nominee for another four years in the White House.

OFT clears Tate & Lyle bid for Brooke Bond

BY RAY MAUGHAN
THE OFFICE of Fair Trading yesterday cleared the £324m bid by Tate & Lyle as the battle between the two food manufacturing groups intensified.

Miners Continued from Page 1

"beneficially" in relation to the development potential of mines. The NUM rejected the word "beneficially" regarding it as a euphemism for "economically". The union is opposed to closures on economic grounds—the root cause of the current strikes.

Mr Orme's formula simply removes the word "beneficially". Mr MacGregor gave Mr Orme "full credit for trying" yesterday, but said he was asking the NCB to go back to Square One and accept that what it had told the NUM was unacceptable.

Peace move by maestro of Berlin Philharmonic

By Jonathan Carr in Bonn
THE Berlin Philharmonic Orchestra and its estranged maestro, Herbert von Karajan, have agreed to play together again for the first time in months.



Herbert von Karajan

been conducting the Berliners' arch rival the Vienna Philharmonic—proposing the Bach concert.

Relations between the maestro and his elite ensemble first soured when von Karajan insisted on appointing clarinettist Sabine Meyer.

The conductor is also understood to have objected to the activities of a chamber music offshoot of the orchestra, which he felt undermined the homogeneity of the main ensemble.

In June he cancelled scheduled appearances with the orchestra in Salzburg. The players retorted that von Karajan's attitude was no longer compatible with the duties of an artistic leader of our orchestra.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

WORLDWIDE WEATHER

Table with columns for location, Y'day, and Y'day midday, providing weather forecasts for various global locations.

THE LEX COLUMN Acid drops from Mr Cube

Index rose 1.6 to 836.8

both companies are still the subject of active and independent bid rumour.

Novo Neither the content nor the manner of release overnight of Novo Industry's interim statement went down at all well yesterday with the London price tumbler falling £40 to £140.

T&L Brooke Bond Tate & Lyle's second pitch for the hearts and minds of Brooke Bond's shareholders is more sardonic than the first, but no more substantial than Brooke Bond's defensive effort earlier in the week.

The crucial omission in Tate's case is still a forecast for the current year—which is, after all, 10 months gone. At the moment, Brooke Bond's shares, at 11p, stand 7p above the offer price implied by Tate's 378p. But it is hard to know what to make of this, given that

CAMBRIDGE ELECTRONIC INDUSTRIES PLC

Interim Results For the six months ended 30th June 1984

- 25.7% increase in turnover to £63.0m
27.4% increase in profit before taxation to £5.0m
27.5% increase in earnings per share to 9.1p
15.0% increase in interim dividend to 2.07p per share

Mr. Rupert Jones, chairman of CEI, comments: "CEI continues to make satisfactory progress. The half-year figures to 30th June 1984 compared with the same period of the previous year show a 25% increase in sales and a 30% increase in trading profit. The group order book indicates an encouraging upward trend."

Table with columns for SALLENT GROUP RESULTS (Unaudited), £000, 6 months to 30th June 1984, and 6 months to 30th June 1983.

Table with columns for TURNOVER, TRADING PROFIT, PROFIT BEFORE TAXATION, PROFIT AFTER TAXATION, and EARNINGS PER SHARE.

Copies of the Interim Report and of the 1983 Annual Report are available from the Secretary, Cambridge Electronic Industries plc, Botanic House, 100 Hills Road, Cambridge CB2 1LQ.

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